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Korean War and U.S. Power

The war in Korea has now entered a decisive stage with the US forces having established a firm line of defence from where within a short while the offensive, to drive the North Korean army out of the territory of the Republic of Korea if not across the 38th parallel, will be commenced. The all-out effort of the so-called Korean People's Liberation army has been frustrated; their aim was to compel the US and allied UN forces to withdraw from Korea before the US were able to assemble on Korean soil their armed might to reverse the military and political situation in Korea and, by inference, elsewhere in the Far East.

Latest war developments indicate that a renewed North Korean offensive has brought the defence line of the UN forces into a more perilous position than was believed possible only a few days ago. A 'Dunkirk' situation has been predicted by Soviet papers and there are some hints in US quarters that a withdrawal from Pusan may have to be considered if the present break-through cannot be reversed. But even if Korea passes entirely under the control of the North Korean regime and the Korean Communist Party the come-back of the UN forces is a certainty in view of the determination expressed by all countries who have morally or militarily supported the UN decision on the matter of aggression in Korea.

The outcome of the struggle is obvious though it may take some time for the UN forces to triumph. In view of the vast superiority of the US armed and industrial might the question might be asked why the North Koreans were attempting the conquest of Korea south of the

38th parallel. The answer is probably connected with world-wide strategic considerations of the USSR. Though the political situation in Korea was, before the aggression started, generally considered untenable and explosive, the resort to force has not alleviated this situation but only created further ill-will on both sides of the 'two worlds'. However, one thing is certain: when the struggle is over and the North Korean aggression completely smashed, the unification of the country and the free election of a democratic government must not be delayed but under UN auspices and protection put into effect.

The US has been depicted by the communist press as a 'paper tiger' and this sort of morale boosting propaganda has been widely circulated in every country subservient to the USSR and it has also been taken up by pro-communist groups outside the Soviet bloc. It was therefore essential that the US take up the challenge in Korea and is now, with the aid of other countries whose governments have backed the UN Security Council condemnation of the North Korean aggression, preparing for the come-back and eventual punishment of the aggressor. The US, of course, does not require any aid from other states; if its people want, the US can be world dictator and all troubles in the post-war world would be simple to solve.

Not only the oriental but every occidental as well is impressed by power, not potential but applied and effective power. As the role of world leadership has fallen to the US, by virtue of that nation's immense wealth and industrial resources, it is up to the leaders in America to enforce wise decisions for the benefit of mankind. The

US, as has been often scornfully pointed out by the Russians, has become the policeman of the 'old order' in Asia; so far, however, the US has failed to take over that policing job though the vast majority of human beings today would willingly submit to the 'US policeman'. The 'old order' for which the US stands, is acceptable as a mode of living to more people, the world over, than any other way of life. In free competition, the US polity has proved the greatest attraction for people living in other countries and under other forms of constitution.

The key to the solution of all problems in the Far East is the full assertion of the US might.

The US has been challenged by Russia, and this challenge can only by met by instituting a preventive war at an early moment; continuing with the 'cold war' tactics but defeating Soviet schemes by meeting force with superior force; or coming to an agreement to live peacefully together. The USSR must be made to abandon the communist world revolutionary design. In the post-war world, Moscow has been, directly or indirectly, aggressive both for the realisation of the 'one world of communism' and for the establishment of Russian hegemony on a universal scale. The Soviet Union has tried to convince the world that the emergence of communist states is the inevitable outcome of the present historic epoch, and it boasts of its great armed strength and the high morale of its fighters, at the same time depicting the 'decadent capitalist west' as being on the defensive everywhere. It is up to the US to show where real power resides and also to make it clear beyond any doubt that this might is to be used, now and here. Only thus can a period of peaceful living together be ushered in. At the

Development of Far Eastern Countries and Foreign Investment

The problem of the economic development of under-developed countries, in particular methods of financing this process, has engaged the attention of many economists and government departments. Authoritative views on this subject can be summarised as follows:—

(1) While it is recognized that government investments have an important role to play in economic development programs (health, sanitation, roads etc.), the principal source of investible funds available for the development of agriculture, industry and trade of foreign countries consists of private capital (savings of individuals and retained earnings of corporations); in order to induce these private funds to move in the direction of under-developed countries, it is necessary to remove certain fears and to provide certain incentives.

(2) The fears which interfere with private foreign investments are largely due to the prevalence of exchange restrictions, to nationalisation programs adopted by some governments, and to manifold arbitrary and discriminatory practices in which the governments of many countries frequently engage; often governments of those very countries which would like to attract foreign capital in order to speed up their economic development.

(3) These fears can only be substantially removed by appropriate action on the part of governments of the capital-importing countries.

(4) Incentives to investors consist of a reasonable expectation of returns on their investments which are sufficiently large to compensate for the special risks incident to investments in under-developed areas; where governments of capital-importing countries view profit-making with distrust and displeasure, they are increasing the obstacles to foreign investments and removing one of the principal incentives for private enterprises; other practices such as double taxation, which also slow down the flow of private foreign investments require, for their removal, joint action by capital-exporting and capital-importing countries.

(5) In order to speed up economic development on a wide basis and to place it on firm foundations, it is important that the investing public should not only be induced to move its funds in the direction of under-developed countries, but that the flow of capital amongst so-called 'developed' countries themselves should be revived as well. There is no hard and fast dividing line between 'under-developed' and 'developed' countries. Countries of Western Europe, for instance, have been tradi-

tionally exporters of capital and have greatly contributed to the development of many areas of the world; as a result of two world wars, they are not in a position now to continue this activity to any appreciable extent and the great experience they have in that field goes to waste. Foreign investments in the direction of Western Europe may, over a period of time, enable these countries again to become exporters of capital towards under-developed countries, thus aiding the long-range aims of economic development.

* * *

Domestic capital formation in the under-developed countries is at present receiving a great deal of attention as a means of financing development schemes. However, it is dangerous, in the first place, to put excessive reliance upon domestic capital formation in countries with a very low per capita income. In these countries one cannot expect much by way of individual savings until such time when economic development will have progressed a certain distance. There were telling examples in the history of the past thirty years of compulsory savings accumulated by means of an authoritarian economic policy even in countries with very low individual incomes. These examples show that economic advance made under such circumstances, is accomplished at a terrific cost in terms of individual liberties and of human values.

In the second place, there are clear indications that many of the under-developed countries think in terms of central governmental planning behind the walls of increasing obstacles to international trade and payments. Good arguments could be advanced, in certain situations, in favour of the protection of infant industries. This must, however, not become an excuse for policies of economic autarchy which, by breaking up multilateral trade, slow down international economic relations and, eventually, jeopardise economic development itself.

Capital formation in the under-developed countries and the encouragement of international capital movements are two phases of the process of financing economic development. There is a third phase, however, which seems to be receiving much less attention than it deserves, namely, the formation of capital-exporting countries. Yet unless in these countries, whose domestic capital requirements are very high, there is a sufficient formation of new capital to allow for an exportable surplus, foreign investments cannot reach a satisfactory level.

Foreign investment in today's world is, and is likely to remain, a predominantly private venture. It has tremendous possibilities for creative advance; indeed, the rate and quality of economic growth will depend for years to come upon its presence or its absence. Whether it will move or not in a large volume will depend to a

A Short History of Taikoo

In the early years of the last century, John Swire was admitted a partner in the firm of Jonathan Roose & Co., Liverpool Merchants, which about 1812 became the firm of John Swire & Sons. In 1847 John Swire died, leaving his sons, John Samuel and William Hudson, to carry on the business.

In the course of their business, John Swire and Sons built up a close connection with Mr. R. S. Butterfield, whose woollen and worsted mills at Keighley Yorkshire, made and shipped goods through John Swire and Sons to the China and Japan markets. In 1866, Butterfield's Shanghai agents got into difficulties and Mr. J. S. Swire proceeded to Shanghai with a view to investigating the trouble. On his arrival in Shanghai in September 1866 Mr. Swire found things in such a bad state that he decided to open his own house, thus carrying out a project that had been in his mind for many years. In the "North China Daily News" on the 4th December 1866 the following advertisement appeared:

NOTICE

WE HAVE ESTABLISHED OURSELVES AS MERCHANTS UNDER THE FIRM OF BUTTERFIELD & SWIRE

ROBERT SHACKLETON BUTTERFIELD
JOHN SAMUEL SWIRE
WILLIAM HUDSON SWIRE

Taikoo Zuen Hong, corner of Foochow and Szechuen Roads, formerly occupied by Messrs. Fletcher & Co.

In January 1874 Mr. J. S. Swire took into partnership Mr. J. H. Scott, who had, since 1866, been undergoing training in the Far East and the two families have been closely associated in the direction of the Firm ever since.

The present Chairman is the fourth generation to be actively interested in the management of the Firm and the fifth member of the Swire family to occupy the chair, his partners, Mr. C. C. Scott and J. S. Scott, being sons of the aforesaid Mr. J. H. Scott.

In the initial stages, the Firm was largely concerned in building up a merchant business on the foundations of their Butterfield connection, but when in Shanghai in 1867 Mr. Swire was greatly impressed by the opening which there was for suitable steamers on the Yangtze and, early in 1872, he proposed to a few of his friends that they should join him in forming a joint stock company for the purpose, and The China Navigation Co. Ltd. came into being. From this beginning the Company, in which an interest was taken soon after by John Scott of the old Greenock shipbuilding family, and H. I. Butterfield, the Yorkshire mill-owner, turned its attention to the China Coast and began to build up a fleet of

same time, the democratic and all other countries whose governments can be described as 'rightist' must institute reforms and abstain from any obstruction to progressive social adjustments. If Reason triumphs, there will be Peace in a world of plenty.

greater extent upon the attitude of capital-importing countries than upon any other single factor. In their own interest, therefore, capital-importing countries should grant to foreign capital a genuine welcome and wholehearted co-operation.

coasters. The Company grew and prospered and by 1941 its fleet numbered 57 ships of 154,000 tons, easily the largest British line operating solely in the Far East and Pacific.

Mr. Swire was a personal friend of Alfred Holt, founder of The Blue Funnel Line, and since the earliest days the Firm have acted as agents throughout the whole of the Far East for the Blue Funnel Line.

Since 1875 in addition to their many other interests, the Firm have throughout the Far East represented a group of the largest British tariff Insurance Companies, under the leadership of The London and Lancashire.

In 1882, Mr. Swire, being satisfied that there was a good opening in Hongkong for a modern Sugar Refinery, formed amongst his friends a joint stock Company under the name of The Taikoo Sugar Refining Co. Ltd. on land at Quarry Bay. After suffering considerable damage at the hands of the Japanese during the war, this refinery, whose products were so well-known in the Persian Gulf, India, Malaya and throughout the whole of the Far East before the War, has now been rehabilitated and has successfully restarted production.

In the Spring of 1900 John Swire & Sons determined to construct a large dry-dock, patent slips, building slips, engine and boiler works at Quarry Bay and floated the Taikoo Dockyard & Engineering Co. Ltd. for the purpose. On the 3rd October 1908 the first steamer was taken into the drydock and the work of this world-famous shipyard began.

In 1934 Messrs. John Swire & Sons Ltd. in association with Messrs. Pinchin Johnson & Co. decided to build a factory for the manufacture of paint at Pingliang Road, Shanghai, and floated the Orient Paint, Colour & Varnish Co. Ltd. for the purpose. The factory was completed and the Company went into production in the summer of 1935.

Since the war, the Firm have endeavoured to meet the changing conditions in the Far East by embarking on further ventures and, in 1946, decided to return to merchanting when, in association with their very old friends, MacLaine Watson & Co. of Java, the Company of Swire & MacLaine Ltd. was formed and registered in Hongkong.

In 1948 the Orient Paint Co. agreed with the well-known Lee family in Hongkong to amalgamate with the Duro Paint Co., and a new company was formed, under the name of The Duro Paint Manufacturing Co. Ltd. to build a paint factory at Quarry Bay. This factory has recently gone into production.

In 1948 also, in association with the Australian National Airways Ltd., the Firm and its associated companies bought a controlling interest in the enterprising young Cathay Pacific Airways Ltd., the same partners also forming the Pacific Air Maintenance & Supply Co. for the repair and upkeep of civilian aircraft.

Hongkong Securities Exchange & Political Outlook

Although the Hongkong stock & share market is a small affair — with some 12 active stocks and, by all standards, a small turnover—the ups and downs of this market are followed abroad with considerable interest not because of any potential capital investment in local securities but as a political and general business barometer of Hongkong. There is hardly any foreign interest in the buying of local shares, on the contrary foreign holders have largely disinvested themselves during the past two years and this process is still, though on a small scale (on account of little scrip now left in non-Hongkong hands), observed. With the exception of HK Bank and Union Insurance shares, larger parcels of which are held in London, practically all local shares in public companies are held by Hongkong residents.

The particular interest which developments on the local stock exchange arouse are of a non-investment nature, that is to say rates of local stocks are followed, especially in neighbouring Far Eastern centres, as indicators of the deterioration or otherwise of the general political situation in this area. Whatever the technical reasons of the slump here and the continued low level of rates, the fact cannot be disputed away that confidence in the security of Hongkong, as expressed in the quotations of locally traded securities, appears weak and shaky. When observers in Singapore or Bangkok, for example, learn that there had been another decline in rates of shares here they cannot help concluding that there is a scarcity of buyers while sellers, irrespective of losses, are eager to get out of their holdings in this colony. Lower stock exchange rates in Hongkong affect adversely the morale of investors in other Far Eastern markets, and the capital flight trend, which is discernible from Manila to Rangoon, is further heightened. Conversely, if Hongkong stock exchange prices show some return of confidence, i.e. higher levels, there is some relief felt elsewhere in this area.

Events in Hongkong are generally followed closely by the commercial and financial circles in every country in the Far East and though the almost parochial scope of the local stock exchange is fully appreciated and nobody overemphasises the repercussions of the local stock market slump, the influence of the antics of the Hongkong stock market is considerable and a matter not to be ignored. In fact, the activity or lack of activity at the exchange is often studied abroad as one of the leading indicators of political sentiments as expressed by the investors. Ever since the Chinese communist forces defeated decisively the army of Chiang Kai-shek at Hsuehchow and crossed almost unopposed the Yangtze river (Spring 1949), the local share market has been in the doldrums. There have been a few but very short-lived rallies, however, the trend was downward and now when the Korean

war started which for the first 2 months went strongly against the United States the slump was accelerated. No amount of reasoning with investors could prevent their determination to sell and even now when it appears that the tide is turning and that the position of the US in the Far East is about to undergo consolidation there continues sales pressure.

Local holders have, on the whole, acted with caution and discipline. It was the overseas holder of local shares who started with liquidations and when the initially isolated movement gathered momentum and foreign holders, as it were, combined their strength to force price levels down many weak local holders followed suit not so much because they distrusted the stability of Hongkong but under the financially sound policy of cutting losses by selling at the start of a threatening slump. As rates declined the yield increased until today good industrials pay, on the basis of last year's dividends, from 15 to 20% p.a. But when fears are aroused, the thought of capital yield is extinguished.

The general sales by foreign holders coupled with occasional sales by local residents were aggravated by forced liquidations of a considerable number of weak investors whose overdrafts with various commercial banks could not be extended particularly at a time when bank managers agreed on a policy of credit restriction. There were also a few larger and many smaller estates which were liquidated irrespective of the prevailing price; deceased holders were, if one can believe underground rumors and tremors, wriggling in their graves when executors and beneficiaries threw caution to the wind and, for whatever reasons, converted their scrip into cash. These people, as so many others, were enticed by the high profits promised by commodity and gold brokers and many of the funds channeled into the gold forward market were coming from share liquidations. Eventually, a good many investors and speculators lost fortunes on the gold market but others came out with new wealth. Property speculation, in a booming real estate market, was another irresistible attraction for erstwhile shareholders and big funds have been either salted away in new houses and land or otherwise are of the 'hot type' waiting to clear out if and when property values rise again.

In spite of all these liquidations, the managements of many public companies continued with their conservative policy of ploughing back large parts of the year's earnings into rehabilitation and new investment. Shareholders have, often with good reason, accused company directors of proceeding arbitrarily, without paying due consideration to the wishes of the majority of shareholders, especially so with regard to the

rate of re-investments and dividend payments, and of acting secretly giving the public no information except at the annual general meeting; but though the integrity of management, in many instances, has suffered in the public eye and 'degeneration' has been alleged, the slump could never have been prevented or attenuated.

At the basis of the baisse is the feeling of political uncertainty and only by creating a sense of confidence can prices return to normal. Confidence is, however, most difficult to infuse at the present juncture. First of all, the power and prestige of the US must be fully restored which is the sine qua non in the Far East; as the Korean campaign now develops there are some hopes justified but the public prefers to take a neutral view, the view of hard facts, and is even likely to incline to pessimistic appraisal of events. The press has been often charged with sensational reporting; but though harm is being done by such 'modern practices' indulged in by so many news agency reporters, the facts emerge from any jungle of writing, confusing and sensational it may appear, and these facts have been, for a long time now, interpreted as very unfavorable to the interests of stock and share holders.

It might appear unduly sanguine if today one makes the following statement: The bottom of the slump has been reached; confidence is slowly returning; hopes for a more stable situation in the Far East generally are revived: the US will assert her superiority in Korea and elsewhere in this part of the world and may enter, in due course, into diplomatic relations with the Chinese People's government at Peking. There has been, in recent days, some new buying of local shares and the trend is at the moment upwards. Technically, the local market is sound and given some measure of political security a strong reverse in the previous trend should not be long in coming. When this materialises, as is now more confidently expected, the effects on other Far Eastern centres should prove very beneficial.

War Jitters on Hongkong Commodity Markets

The talk of the town is 'war'; sedulously fostered by the Taiwan government, whose future depends on the outbreak of a third world war, local merchants have become unwitting victims of this war psychosis but there are also a good many gamblers who hope to win a fortune by betting on a war, with all its disruptive consequences, and laying in stocks of 'strategic' materials. The biggest industry at present is rumor manufacturing and this is being done by both local and Shanghai experts to such an extent that the article has been brought into complete discredit. These rumor mongers try to sell the most incredible stories, they have repeatedly 'declared war' here and there, and have not shirked from faking news reports on paper of reputable news agencies. Such criminal activities, though observed by the police, have been going on here for a long time but while in the more calm past such manoeuvres only caused a, shortlived rise (or fall) in, say, gold rates, the present nervous times would require that the authorities seek out the nefarious rumor-peddling culprits and bring them and their bosses to book. An example should be made as otherwise the inventive genius of the rumor mongers will know no bounds.

Even without adding spice to the hot situation of today the markets are in a state of jitters and there is as yet no sign for its abatement. The previous strong buying by Chinese communist and private agencies has given rise to all sorts of anxieties though the buying spree was caused, initially, by the gasoline and fuel oil embargo which a short while later was, at least theoretically, extended to some 200 other items of potentially 'strategic' value. Without the gazeteting of the local government's exportation prohibition order the rise in almost all commodity prices would not have occurred or at least not so drastically.

It was the fear of Chinese buyers, of whatever political complexion, which caused the boom and which, against their own interests, has been promoted by their often insistent in-

quiries. In order to drive prices still higher, the innumerable brokers and small dealers either invented stories or exaggerated certain events with the purpose of creating more concern both among holders (who wanted then to keep their cargo) and buyers (who became impetuous). With application of a little common sense most of the market rumors could have been recognised for what they were: figments of a smalltime's fantasy. Nevertheless, not a few rumors had the desired effect.

After the hectic movements during the major part of August, prices have now settled down but there is still nervousness and an upward price trend especially for the 'priority' goods such as metals and metal goods, rubber, a large number of industrial chemicals, pharmaceuticals (for military hospital use). On the other hand, local exporters also experienced increased inquiry for China produce (vegetable oils in particular) for the metals which the Chinese government has export banned (particularly wolfram ore, antimony and tin) as these metals and minerals are required by the USSR. Hoarding in those goods considered of actual or potential war strategic value proceeds apace and it is this activity which is largely responsible for the high level of prices. Godowns are now used for storing goods as 'investment' or for eventual profit-taking and many new indents were arranged not by bona fide dealers but by commodity hoarders. Money which remains tight is now redirected; away from gold speculation and into 'strategic' goods. The characteristic of many if not most Chinese, especially Shanghai, merchants being addiction to gambling, it is small wonder that the current boom is exaggerated beyond any proportions by the participation of 'idle capitalists' — of whom there are here so many.

Macao has also benefited from the boom by having been selected as storage ground for 'strategic' materials as it is presumed that Macao government will not in future institute export embargoes on shipments to China while Hongkong is obliged to obey orders from London. Thus, once again, Macao may act as the loop hole in Hongkong and China trade regulations. It would appear most necessary that Lisbon is asked to cooperate more closely with the Atlantic powers and that the attention of the Portuguese government, if that was still necessary, is drawn to the many 'liberties' which Macao enjoys for the greater benefit of a small number of persons over there.

Not all articles have taken part in the boom. 'Non-essentials' and all luxury goods are today even cheaper than a month ago and holders are losing heavily. Stores and shops are selling often below cost only to clear their shelves and start new business—possibly also in 'strategic' materials. Some business failures are reported and the casualties are usually people:

Hongkong Export Prohibitions and China Trade

Further consideration of the position arising out of the Export Prohibition Order has shown that the situation is not quite as set forth in our last issue (page 243). It appears that a serious effort is being made here to enforce prohibition of export of the articles specified in the Order at least to communist China. The Assistant Director of Commerce and Industry, who is responsible for the issuing of Export Licences, has had his staff increased and has referred back many applications on which insufficient details were given. It is understood that preparations are in hand for an even closer

scrutiny of applications. Moreover, it appears that the Police and Revenue Staff are in fact exercising a fairly efficient control both on the Frontier and in the outlying waters of the Colony and a number of cases have appeared in Court of would-be offenders who have attempted to take out such articles as petrol, lubricating oils and kerosene.

In our next issue (Sept. 14) a complete list of articles which are now prohibited to export, except under licence, will be published together with the general export and import regulations at present in force.

who have been in 'non-essential' lines of trade. Although many merchants are now prospering, spending of money on the lighter things of life as well as on amusements is declining. The retail trade, far from being in a depressed state, is envious of the fortunes made by the rubber, chemicals, metals etc. merchants and out of this envy they complain about their 'poor' business.

The heavy influx of immigrants from China has, for a time, blinded businessmen and has made it appear as if there was no limit for spending and expansion; but with tighter money around and the many failures in business of the Shanghai refugees, while at the same time amusement places of any description and shops were established without consideration as to sound working prospects, the purchasing power has declined until today Hongkong is assuming a more sober mien.

There also has been some capital re-export accompanied by a most welcome emigration of Chinese. Return of funds to Taiwan which, while that island was in grave danger (especially after Hainan's swift occupation), were brought, among other places, to Hongkong for safekeeping or investment, has been taking place as quite a few Chinese (from the mainland) who have their businesses in Taiwan feel reassured by the US 'neutralisation' guarantee, and as they find no possibility to make money in this colony — where life is most expensive — they try their luck again in Taiwan. There are new openings for capital in Taiwan, in trade with Japan which is now Taiwan's No. 1 trading partner (thus returning to its natural role before World War II).

Some upset merchants have interpreted this capital movement as indicating flight of capital from Hongkong. They have also found 'corroborative evidence' in the fact that some immigrants from North and Central China have recently made preparations to return to their homes and that they have, naturally, liquidated (or tried to liquidate) their assets here for eventual transfer to China.

Jittery people would perceive in such behavior lack of confidence in the Colony but actually it is only a natural development coming as it does after the unprecedented influx of people and money into Hongkong. Many refugees were not running away from the communists, they only wanted to get out of any sort of violence and civic disturbances while the fighting lasted. Now with peace re-established in China and no possibility of a landing by Chiang Kai-shek's forces on the mainland, the reflux has started and should grow in the near future. One must also bear in mind that Hongkong cannot absorb, for the time being, any more immigrants, be it in new enterprises or in jobs, as a period of digestion of the great economic expansion which has taken place over the last 4 years is now called for. Besides Hongkong is, of all the places in the Far East, the most expensive city to live in—a precious 'oasis' of peace and order.

Political Propaganda in Hongkong & China

No official interference exists in Hongkong in regard to any form of political propaganda and booksellers are free to sell in any language whatever literature is locally produced or imported. The growing interest on the part of the Chinese population here in political literature is manifest by glancing over the daily increasing number of publications dealing with political and social questions. Ever more bookshops and newsvendors appear and most of them report a good turnover. Publications printed in China are commanding record sales and thus, the cause of communism or the 'New Democracy' is promoted. But local publishing firms vie with official and private publishers in China and their output is both as regards originals and reprints on a very large scale. The public is paying usually premium prices for political pamphlets and this fact has been often abused by profiteer-publishers who cash in on the growing interest of the Chinese in things political and social.

Bookshops are full with periodicals imported from China, the majority of which being devoted to the spreading of communist ideology in a more or less virulent manner, but serious publications and books written by leading theoreticians of international communism are also available in a bewilderingly large variety. Apart from literature in the Chinese language, there is an increasing number of political publications in Russian on sale. Russian-Chinese language books of every type (incl. dictionaries and advanced textbooks) can now be bought in almost every 'leftist' bookshop—and this type of bookshop is now to be found all over the town. Translations of Russian authors, mostly of the living generation, are plentiful and from sales reports of bookshops it appears that there is great interest by Chinese, mostly younger persons, in anything which is currently produced in the Soviet Union.

Communist propaganda in English is also though in much smaller volume available. Many Russian publications (and Czechoslovakian as well), including illustrated periodicals, are put out in English and are imported into Hongkong (the distributors usually being headquartered, for Far Eastern sales, in Shanghai). The leading Russian political publications, written in English, can be bought at both the leading Chinese bookshops and from the more humble street corner news stalls. To judge by the appearance of the majority of Chinese bookshops — and there are only a handful of non-Chinese owned shops in Hongkong — pro-communist literature, of every type, is in great demand. There is only a small number of periodicals in existence which are backed by Chinese nationalist groups or otherwise seem to be politically unbiased.

Communist political propaganda is benefited by the restraint shown by the Hongkong Government who allow freedom of expression. Whether the truly democratic policy of Govt is appreciated remains to be seen. The open-minded local resident may congratulate himself to live under such an administration but the politically prejudiced Chinese may only take advantage of this situation by trying to influence still larger sectors of the community and make them, in his sense, politically conscious. In free competition, the procommunist literature has, as far as the vernacular is concerned, outdistanced any other political persuasion and if one takes the sales of political literature as a yardstick for political sentiments the impression cannot be resisted that the majority of Chinese here support the present gov't of China and the ideology for which this gov't stands.

In contrast with the locally observed freedom, there is control of the press in Canton and elsewhere in China, in varying degree depending on the progress or otherwise of general political indoctrination. Communism, as a doctrine, is of course intolerant of criticism and would not allow any propaganda directly or indirectly aimed at weakening the hold of communism on the minds of the people. But for an interim period, and particularly so in the so-called newly liberated areas such as South China, political propaganda is not storming into the minds and hearts of the people but proceeds with some caution. Certain oppositional publications were tolerated for some time, especially in Canton, but recently there has been a clean-up and now the press and all the publishing houses have been ordered to fall in line with the official policy of Peking. All printing presses in the country are now serving the one and only cause: political enlightenment and indoctrination as prescribed by the central authorities in Peking.

For the moment, however, it is possible to import into China publications (newspapers, periodicals, books) which are considered unfriendly towards the 'New Democracy' of China or are antagonistic to communism generally. Some indirect censorship is rumored but no actual proof for such allegations has been found; it appears the Peking gov't is not at all disturbed by the potential political mischief which anti-communist publications, imported into China, might play. There is on the contrary much confidence shown in the propaganda bureaus of Peking with regard to warding off the ill-effects of foreign literary 'subversion'. Hongkong publications are mailed to China without experiencing any obstruction although local publications express opinions or report certain facts which cannot meet with approval in Peking.

The Chinese propaganda is, contrary to what one often is led to believe when expressions like iron curtain or bamboo curtain are used, anxious to inform the world of the policies and achievements of 'new China'. Like every other govt. Peking wants to appear as a progressive, efficient and for the people very solicitous govt.—and probably this new Chinese govt is better, in every respect, than its predecessor or for that matter any previous govt in China. That military information is not available and other matters which have any bearing on the defence position of the country are closely screened before being released, is only natural under present 'cold war' conditions. On the whole, there is sufficient information available from official sources and the gathering of private information is not impeded provided it keeps clear off military and strategic affairs.

Peking is very anxious to influence the estimated 6 million overseas Chinese living in Far Eastern countries and a great effort is made to both export political literature to such places like Manila, Bangkok, Singapore, Jakarta and to encourage publishers overseas to print pro-communist reports and leaders in the daily press as

well as to publish pamphlets and books which had previously been approved by the Peking govt. As most overseas Chinese are patriotic, more or less in self-defence against the growing antipathy expressed by the native populations and supported by their governments, they show distinct signs of support of the People's Govt while discarding, probably reluctantly, support previously granted to the KMT and Chiang Kai-shek. The Chinese daily press in Far Eastern countries is now largely siding with the People's Govt of China, that is to say with communism, and this matter has become a serious problem for the various governments whose policies conflict with those of Peking. In Bangkok, for instance, the govt is strongly opposed to any possible inroads of communism and at the same time it struggles with the problem of restraining the enormous economic influence of the Chinese minority; when the leading Chinese papers in Bangkok however champion the cause of communist China a critical situation develops which does not augur well for peaceful living together of the native and the immigrant population. Similar conditions exist, though to a less dangerous extent, in other Far Eastern countries with large Chinese settlements.

which assistance however has, in the last few years, owing to the laboriously proceeding political conflict, the consequences of which have even now not yet been conquered, decreased in its extent. The possibility has in this way been opened for the Netherlands to direct its attention towards other countries wanting this assistance.

It is being realized more and more clearly that technical assistance is not to be viewed as a matter of an exclusively technical nature. It will be incorrect to choose the experts only for their technical knowledge, but the fact will have to be considered that their work can only be successful when they understand the social and cultural implications of the assistance. The methods of work will have to be adapted to the local demands, the workers will have to know and understand the country and the people where they do their work.

The Netherlands is amply conscious of this fact, which consciousness is based on the handling of such problems for many years.

The Netherlands policy in Indonesia during the past years may be criticized, but this criticism will mainly refer to the political sector of this policy and hardly to the work of the Netherlands in the fields of public health, agriculture, engineering, etc., the fields coming under the sphere of the programmes of technical assistance of the United Nations.

TECHNICAL ASSISTANCE BY THE NETHERLANDS TO UNDERDEVELOPED COUNTRIES

(By a Dutch Correspondent)

The Netherlands is a small country, very densely populated. It has a high birth-rate and a low death-rate, and consequently a quick increase of population. Intensive agriculture, reclaiming land from the sea, and industrialization can only partly meet the growing needs. Is it to be wondered that this country, being of old a sea-faring power, and having its eyes always focussed beyond its frontiers, is also at present inclined to look elsewhere for a sphere of action for its many sons who feel at home somewhat oppressed.

It has for a long time fulfilled a task in under-developed countries, viz. in Indonesia. There was a time that the Netherlands sent only its merchants to the Indies, a time when hardly any other ties than commercial ones were laid, but since long a cultural relation has been growing. In 1940 circa 5000 Netherlands University men were employed in Indonesia and many Indonesians received their education at Netherlands Universities.

Higher education in the Netherlands was, to a considerable extent, directed towards the needs of its overseas territories. Oriental sociology, knowledge of the Islam and other religions from the Far East, the oriental languages, tropical economy, medicine, agriculture and forestry were and still are, ranking high in the Syllabus of its Universities and High Schools. Not only the natural sciences have to be mentioned here: together with these studies went a consciousness in respect of the social, cultural, psychological, and anthropological problems.

The scientific work done in Indonesia is for a considerable part based on methods and results of western science. Scientific investigation has made a considerable contribution to the development of Indonesia. The work done in Indonesia was, on the one hand, for a considerable part nurtured in the Netherlands, on the other however the Netherlands sciences directed towards the tropics could only develop owing to an intensive contact with these territories. Netherlands science has been able to give much to the overseas territories, it has itself received much from these territories. These territories were a fertile field of study for Netherlands agronomists, foresters, engineers, physicians, geologists, sociologists, linguists, etc. As a result of a relation of many centuries with Indonesia, a scientific potential has been collected in the Netherlands, which is of great importance for the social-economical development of tropical areas in general.

The position of the Netherlands in Indonesia has considerably altered. The Netherlands will, in Indonesia as well as elsewhere, for an outlet of its intellectuals, be in an open competition with other countries in an advanced stage of economic development. Many offices, formerly occupied by Netherlands, are now filled by Indonesians.

It could be said — speaking in terms now current — that the Netherlands have since long lent technical assistance for economic development to Indonesia,

What will the Netherlands do? It has at the Conference of Technical Assistance at Lake Success declared itself willing to make a proportionate contribution in the programme of lending assistance by the United Nations. Difficulties in respect of foreign exchange are the cause that this contribution must be given in Netherlands money. In case of urgent need in special cases, the Netherlands Government is prepared to discuss a partial conversion with the Technical Assistance Board.

In the Netherlands there are many public and private institutions, able to fulfil a task in the field of lending technical assistance and also fully prepared to give their co-operation. In order to prevent duplication and dissipation of experts, the Government has set up a National Committee which will advise the Government, coordinate the cooperating experts and give guidance to the executive work. It has brought together representatives of Universities, scientific institutions, government agencies and private organizations, interested in the work to be done. It has set up specialized committees to carry out the work which occurs in the field of agriculture, public health, technical knowledge of engineers, geology, and it has the intention to expand this specialized organization as need may occur.

The executive work is done by the Bureau for International Technical Assistance, whose task it is to collect data about the wants of technical and scientific assistance, existing in the econo-

THE REAL PROBLEM OF AGRARIAN REFORM IN COMMUNIST CHINA

By C. D. Chang

When the Communists talk about abolishing the "feudal system of land ownership by the landlord class" they assume that, first, the land ownership system in China is in fact feudalistic in nature and, second, there is a landlord class in whose grasping and greedy hands most of the productive soil of the country is concentrated. In the light of ascertainable facts, both of these assumptions are open to question.

One essential characteristic of feudalism, as the system is commonly understood, has been the inalienability of the land. In Medieval Europe or in Japan, for instance, the serf was bound to the land and could not himself either leave it or dispose of it. There is no serfdom in China. Both in law and in fact the Chinese peasant has been free to sell and, when he has, means to do so, to purchase land. And his labour is his own, and he can make whatever use of it as he thinks fit. If the lot of the Chinese peasant is hard, it has nothing to do with feudalism; it is the result of the primitiveness of Chinese economic life.

Feudalism disappeared from the Chinese scene over two thousand years ago. When the Communists speak of feudalism they are repeating a Marxist dogma, without much careful analysis of its historic meaning.

It may be objected, however, that this manner of looking at the problem is highly academic and fails to take cognizance of the "feudal remnants"

that exercise such an important influence on the lives, thoughts, customs, habits and emotions of the people. But what are commonly termed "feudal remnants" are not in fact "feudal" in any sense of the word, but the products of a predominantly agricultural economy. Such, for instance, is the case of the hierarchy of status maintained in the family system—the filial obedience of son to father, daughter-in-law to mother-in-law, and wife to husband. The subordination of the individual to the group, the prevalence of nepotism in politics, and personal loyalty of the subject to the ruler—all this can also be pointed out as characteristic features of this society.

* * *

The landlord is the most maligned person in China. He is being painted more like a monster than a human being. Foreign observers, relying on hearsay or propaganda, go to greater lengths in depicting his heinous crimes than the Communists themselves. One well-known American journalist writes that "the power of the landlords gave them control over village women, especially the wives of their tenants, with whom they could have whatever relations pleased them. Very often, the tenant and his wife acquiesced in their relations out of fear, but if the tenant should protest, he had little chance to make his protest effective." (Jack Belden: *China Shakes the World*, pp. 155-156) The fact is that the author of this statement fails to distinguish between what the Chinese Communists call

"rural despots" and the general run of landlords. A "rural despot" may be a landlord, but not all landlords are "rural despots." The majority of the landlords are quite respectable men; their crimes, if any, consist in nothing more heinous than the fact that they happen to own a little more land than their neighbors and that they live on rents paid by their tenants.

Nor is it true, as has often been alleged, that the landlords could, like the feudal lords in Medieval Europe, conscript labour, jail debtors, and control the life and even death of their tenants. As a matter of fact they could do nothing of the kind. Some members of the landlord class did, either because of their wealth or their social prestige, carry on certain functions connected with the government. In this they formed a sort of connecting link between the government officials on the one hand and the general masses of peasantry on the other. But they were definitely not the government.

Landlords of the Eastern European type with immense estates, fantastic incomes, and living in romantic luxury are practically unknown in China. With the possible exception of Szzechuan, where the provincial warlords are notorious for the size of their holdings and where land is more concentrated than in other parts of China, big landlords are rare. Actually, there are probably fewer big landlords in China than in any other important country. Communist publications, however, claim that from 80 to 90 percent of the arable land in China is owned by 10 percent of landlords. Mr. Liu Shao-chi, in a recent speech before the People's Political Consultative Conference, gives a slightly lower figure—70 to 80 percent. This leaves only about 20 to 30 percent of the arable land to the remaining 90 percent of the rural population. If Mr. Liu and his fellow Communists are to be trusted, the situation is serious indeed. But there is reason to believe that these figures are exaggerated. Land statistics in China are woefully inadequate, but we do, however, have some reliable data to disprove the Communist contention. Professor J. Lossing Buck, the most outstanding authority on China's land problems, is responsible for the statement that "the proportion of farmers who are tenants is no greater in China than other important countries." "More than one-half of the farmers," Professor Buck writes in a recent article (*The Fact and Theory of China's Land*, Foreign Affairs, October, 1949), "own all the land they work, approximately one-fourth own some and rent additional land, and one-fourth rent all the land they work." Moreover, the part owners are more really in the class of owners than tenants, since their main object in renting land is to increase the size of their farm business. Five different nation-wide surveys show a variation of percentage of owners from 47 to 63 percent, of part owners from 17 to 29 percent, of tenants from 17 to 29 percent. In a sample survey of 16,786 farms in 22 provinces made by the University of Nanking, 71.3 percent of all land was

mically underdeveloped territories, about the plans to lend this assistance, which will be drafted by the United Nations, the specialized agencies and other organizations (e.g. Ecafé, South Pacific Commission etc.).

The Bureau will further investigate the possibilities the Netherlands can offer for lending technical and scientific assistance to underdeveloped countries. It will cooperate in the frame of the programmes for lending technical assistance for the sending out of experts, the reception of foreigners, the execution of special projects which will prove to be useful.

It is clear that the Netherlands scientific attention was more directed towards its own overseas territories than towards other countries. Still this attention was not scantily limited. The culture of China, Japan, South East Asia, the Arabian countries, Africa, was not lost sight of. However there is consciousness of the fact that changed circumstances require adaptation on the side of the Netherlands. This found its expression in the setting up of a committee, engaged in studying the question in what way higher education will have to be adapted to the present international needs.

It is to be expected that the work of this Committee will greatly influence the organization of the Universities and that within the frame of higher education institutions will be called into being, specially directed towards foreigners studying in the Netherlands. As an instance can be mentioned an institution for aerial survey to be set up jointly by the Technical Highschool in Delft and the Agricultural Highschool in Wageningen; at this institution the cartographic making up of the aerial photo and the interpretation of the contents of the picture, viewed geologically and sylviculturally, will be taught. This is only one instance, further plans can be expected shortly.

In the Netherlands many persons are conversant with the great importance of the programmes of technical assistance; there is a considerable preparedness to take part in its execution. Partly this preparedness emanates from well understood self-interest, partly from a knowledge of the wants of economically underdeveloped countries and an insight in the necessity to help bridging in mutual cooperation the gap that exists between these countries and those that are economically better situated.

worked by farmers owning the land." We have no reason to doubt Professor Buck's integrity as a scholar or the scientific accuracy of his statistics.

There are also people who associate all the problems of Chinese agriculture with farm tenancy. They assume that the landlord's share of the produce is so exorbitant that the tenant is left with nothing to eat. If the tenants can be made into owners, then the food supply will automatically be increased. That this assumption is untrue is seen in the following quotation from Professor Buck's articles:

"The misinformation about land tenure in China is colossal. For instance, it is said that some 70 percent of the rice crop in the province of Szechuan in paid to landlords, and the statement is taken as complete and irrefutable evidence of abuse of Chinese peasants by the landlords. But the fact is that the Szechuan farmer grows two crops a year, a winter crop of wheat, barley, rapeseed or broad beans, and a summer crop of rice. The tenant pays no rent on the winter crops. In fact management surveys of 203 farmers in ten counties revealed that the average rental paid was only 31.8 percent of farm receipts—less than half of the sum the tenants were said to pay. In two other farm-management studies of 786 tenant farms in nine provinces, the average proportion of all receipts paid as rents were even lower—34.5 percent in one case and 29.1 percent in the other. These rents are considerably lower than the ceiling rent set both by the Nationalists and Communists—which is 37.5 percent of farm receipts."

That there are landlords in China no one can deny. That agrarian reform may do some good to those who are landless is freely conceded by all fair-minded observers. The late Dr. Sun Yat-sen, founder of the Kuomintang, had long advocated—long before the advent of the Communists—the policy of giving land to those who till it. But while recognizing the need for reform, we should never lose sight of the fact that agrarian reform is not a panacea for all China's economic ills. It serves no purpose to inveigh against the landlords and to put all the blame on the landlord system. The real problem lies elsewhere.

Too many people live on limited amount of land—that is the real problem confronting China. It is true mathematically that the same number of persons will have to be fed from a given acreage of land no matter whether they are called tenants, poor or middle peasants or what not. According to Professor Buck, surveys of 17,000 farms in 22 provinces reveal a farm population of some 1,500 persons per square mile of cultivated land. The ratio is approximately one-half acre of land per farm person. (Ibid.) Professor

Chiao Chi-min's figures are slightly lower—about 0.40 acre per person in China Proper, 0.47 acre per person for the whole of China, including Sinkiang and Mongolia. (Chinese Rural Society and Farm Economy, pp. 181-183) The comparative figures for other countries are as follows: Germany, 1.11 acre per person; United States, 8.04 acre; France 1.29; Great Britain, 0.67; Canada, 5.75; and Australia, 3.48. All these countries have a higher land to man ratio than China. But all these countries are highly industrialized. To take a most striking example: Great Britain's farming population occupied only about 17 percent of the total, yet the land to man ratio is higher than that of China whose farming population represents 80 percent of the total. Compared with the countries of the Far East, China does not emerge from the comparison any better. India is reputedly to be one of the poverty-ridden countries of the world. Yet in India the land to man ratio is 0.79 to one, and India's farm population is 72 percent of the total. Japan is noted for land-hunger, with 0.25 acre of land per person. But Japan, according to 1935 figures, has only 45 percent of her population engaging in agriculture.

It is thus clear that, given the amount of cultivated land and given the predominantly agricultural population, China will forever remain a poor country and the masses of the Chinese people will forever live on a level of bare subsistence no matter how the land is divided and redivided.

* * *

But the psychological aspect of the reform should not be overlooked. Land redistribution does, in fact, give the poor and landless something they have never had before—the sense of ownership. The Communist press carries numerous stories of peasants who now enjoy greater prosperity because of the reform. The following account of a peasant in Honan province is typical:

"My name is Chang Chin-kiang. I live in Chao-lo village, Lin-cheng County. I am a poor peasant, of thirty years of age, with a family of eight. Before the liberation I did not dare to stay at home for fear of Kuomintang conscription. We owned eight mow (a mow is one-sixth of an acre) of land which, owing to my absence, was left untended. My family suffered hunger and privation. When the agrarian reform was carried out after the liberation, we were given seven additional mow of land. I was elected the head of the village. In July, 1949, I was honored by being admitted to the Party.

"The people's government required every family to make a production plan; so, in consultation with my family, I made a plan... We decided to raise a pig and five chickens. My father, too old to work in the field, now looks after a small vegetable garden. My little brother tends the donkey and gathers fertilizer. My wife, in addition to taking care of my three little children, sews for the whole family....

"This summer we harvested 1,500 catties (one catty equals to one-half kilogram) of wheat, 400 catties of barley, and 300 catties of peas—making a total of 2,200 catties. In the fall we hope to get three piculs of raw millet—about 1,150 catties of husked millet—from a piece of land amounting to five mow. We have also planted some indigo

which, when sold, will enable us to buy 400 catties of foodstuffs. Our vegetable garden will yield a cash value sufficient to buy 350 catties of grain. Our two mow of sweet potatoes will probably yield a crop of 2,000 catties. The two mow of rice will give us 550 catties of husked rice. The cotton from our three mow of land will provide the family with dress material. Thus, the total produce of our farm, summer and autumn, will amount to more than 3,000 catties of grains of all kinds.

"We, eight of us, consume about 3,000 catties of grain a year. After paying debts and taxes, buying additional farm implements and other necessities, we hope to have a surplus of more than 1,000 catties. "This is our plan for the current year. All of us look forward to the future with great hopes. We'll do everything possible to make a success of the plan." (Honan Daily News, Kaifeng, July 9, 1950; reprinted in the August 1 issue of the New Observer, a Communist weekly published in Peking).

Farmer Chang has clearly gained something from the agrarian reform. His holding has augmented by one-half. It is still very small—15 mow (less than two acres) for a family of eight. A survey made by the Central Agricultural Institute in 1935 in 22 provinces shows that about 35 percent of the farms are below 10 mow, 25 percent between 10 and 20, 15 percent between 20 and 30, 17 percent between 30 and 50, and 8 percent over 50. Farmer Chang's present holding is therefore among the 20 percent of the farms ranging to 10 to 20 mow.

In the account cited above, Farmer Chang may be a little too optimistic. His calculations are based on a plan which is only partly realized. Only under the most favorable circumstances can he hope to harvest as much grain as he has planned. He will be lucky if he can manage to have surplus at all. Last year a major part of the total produce of the farmers was taken away by the government. There is no guarantee that this will not happen again.

Granted everything would work out according to plan. The kind of life which Chang and his family lead is anything but enviable. Quantitatively the amount of food consumed is now adequate but in quality it consists of nothing better than cheap carbohydrates, devoid of meat and animal fats. This is because of the fact that his holding, less than two mow per capita, is too small to provide him and his family with anything better than bare subsistence. It takes, in the opinion of agricultural experts, about 10 mow of land to keep one person in relative comfort.

* * *

Will the over-all grain output of the nation be increased as a result of agrarian reform? It is difficult to draw conclusions at this early stage. Making owners out of tenants does not in itself boost up production. The amount of energy so released is too negligible to make any appreciable difference. Studies seem to indicate that, contrary to popular belief, ownership does not

necessarily increase the crop yield of a given plot of land. The yields of tenants' farms are just as high as those of the owners' farms. Isolated cases are found of higher yields on owners' farms than tenants' farms. But there are also cases in which tenants' farms are more productive. The difference in yields is therefore due to differences in the quality of land and not to any efficiency with which the labour of men and animals is used. Hence, agrarian reform as such will not enable the peasants to produce more grain.

Moreover, it is not improbable that, instead of increasing, there will be a significant decrease in the total grain output of the nation on account of the loss of economic efficiency resulting from division and redivision of land. It is a well-recognized fact that medium-sized family farms are apt to utilize labour of men and animals more efficiently than small ones. What constitutes an "economic size" depends on soils, climate, and types of farming. Extensive surveys have revealed that in China a farm may be called "economic" when it is around eight acres in size. But an eight-acre farm would be considered very large in many parts of China, and persons owning such farms would run the danger of being classified as landlords. With the exception of Manchuria where land is more plentiful, the average size of farms would fall considerably below this figure. In Honan and in the suburbs of Peking and Tientsin where agrarian reform was carried out last winter and this spring, the average per capita holding after the reform is in the neighbourhood of three mow. If a Chinese farm family has 5.2 members (that is the average size of farm families according to surveys), then the average family holding is a little over 15 mow—less than three acres. This means that the over-all economic efficiency will fall off after agrarian reform. With the decrease of economic efficiency there will naturally be a corresponding decrease in the output.

While it may be true that agrarian reform does give the poor and landless peasants something they have never had before—the sense of ownership—and a considerable amount of energy might be released as a result of such ownership, it may also be true that rich peasants to a certain extent the middle peasants too—would be less inclined to work as hard as before the agrarian reform. Not only is there a loss of incentive but there is also the danger, of course a very real one, of being too prosperous. Formerly a middle peasant could become a rich one if he worked hard enough, and a rich peasant was not without hopes of improving his status and becoming a landlord if he had the necessary shrewdness, persistence, and perhaps luck. Economic betterment and social prestige were the rewards of labour, thriftiness, and enterprise. Nowadays, however, these things are no longer at a premium. Only a few months ago rich peasants were liquidated together with the landlords. It is true that they are now protected under the provisions of the new Agrarian Reform Law, but

who can say that the law will not be changed as time goes on? Land, too, can be freely sold and bought under the new law, but who will risk his skin by having more land than is absolutely necessary? This state of mind cannot fail to have its effect on the agricultural production of the nation.

In terms of the standard of livelihood of the rural population, there will be a general leveling up or leveling down, depending on the angle from which one views the situation. Formerly, a small section of the rural people — 10 to 15 percent — lived, if not in luxury, at least adequately according to Chinese standard; another section — 35 to 40 percent—could, in good years, manage to have a small margin of surplus; a third section—25 percent—had enough to eat if things went well; and a fourth section—also 25 percent—would have to go hungry a part of the year. After the agrarian reform, the topmost 10 or 15 percent and the lowest 25 percent are now even — with the result that

both will find it hard to make two ends meet. The 35 to 40 percent of fairly well-to-do peasants will find themselves much worse off than before.

As a device to boost up the level of production, the Communists have taken over from the Soviet Union the system of "Socialist emulation," by means of which they have been able (at least so proclaims their propaganda) to step-up industrial output considerably. The same technique is now being applied to agriculture. Top producers of grain are being dubbed "production heroes," who get a liberal buttering of glory and public acclaim. One such hero has lately been awarded a scholarship to pursue advanced studies in cotton culture in one of the national agricultural colleges. It remains to be seen whether this Russian technique will produce the hoped-for result in agriculture.

Famines raging in a number of provinces have brought home to the Communist leaders the seriousness of the food situation. The Ministry of

Agriculture of the Central People's Government called last December a National Agricultural Conference. Provincial and local authorities were enjoined to do everything possible to increase the output of foodstuffs. The Conference set a goal of increasing the nation's total production by 10,080,000,000 catties, or about 5,000,000 tons. According to Mr. C. N. Wu, the Vice Minister of Agriculture, the production quotas called for by the Government will be surpassed by 4,450,000,000 catties. "That means," proudly declares the Vice Minister, "the nation's grain output will be increased this year by 14,530,000,000 catties, which represents a 44.1 percent increase over the original target." (People's China, May 16 1950). But even with this increase (the figures must be accepted with considerable scepticism, since Communist statistics, in China as in Russia, are inclined to be over optimistic), it is still 12.1 percent below pre-war average. There is little reason to suppose this situation will change fundamentally in the near future.

Agrarian reform, as we have seen, is not an end in itself. It is only a transitional measure—the liquidation of "feudal" system of land ownership preparatory to industrialization and, ultimately, to collectivization after the pattern of the Land of Socialism—the Soviet Union. "The basic aim of agrarian reform," says Mr. Liu Shao-chi, "is not purely one of relieving the poor peasants. It is designed to set free the rural labourers, land and other means of production from the shackles of feudal ownership of the landlord class, in order to develop agricultural production and to clear the path for the industrialization of China." The primary objective of agrarian reform is therefore no longer, as in the early days, simply a technique for getting, holding, and extending mass support. But how is the industrialization to be brought about? Industrialization involves capital and credits, tools and machinery—all in vast quantities. He cannot, certainly, hope to get the capital out of increased agricultural production, granting that such increase is possible after the agrarian reform. The land distributed to the peasants is private property. They own it, plough and harvest with their own labour, raise food for their own families, and keep the surplus, if any, for themselves. The Government can, and in fact do, take away a major part of the produce by levies. But the amount of capital that can be accumulated by this process will be negligible. Unlike the Soviet Union, China does not—and will not—have vast quantities of surplus grain for export in exchange for industrial equipments. No, if the People's Government is really serious about industrialization, it cannot possibly get the means thereof from the peasants, with or without agrarian reform. It must, instead, look for credits abroad. The Soviet Union is hardly in a position to render assistance on a scale large enough for the purpose. The present "lean-to-one-side" foreign policy precludes the possibility of getting aid from Western countries. Communist

China is thus, so far as industrialization is concerned, placed in a blind alley from which she will not be able to get out for a long time to come.

* * *

Manchuria, of course, stands apart from the rest of China. It is the only part of China that not only feeds itself but has a surplus of food for export. It has the biggest and most diversified industries in all China. Much of the industrial equipment in Manchuria was stripped by the Russians. A part of the stripped machinery has since been returned. The Soviet Union has sent thousands of technicians to help restore and raise production. But here Russian interests are apt to override Chinese interests. The motive behind the Soviet effort is not so much to help China as to help itself.

In the matter of collectivization, the problem is a good deal more complicated in China than it was in Russia. At the time of the October Revolution Russia was more advanced in industrialization than China is today. But even in Russia the attempt at collectivization was not made until 1930—more than a dozen years after the Revolution. When they set out to recast the nation's agriculture into a collective pattern, the Russians had two distinct objectives in view—one political and the other economic. Politically, they aimed at destroying the power of the kulaks who constituted a hard core of latent opposition to Communism. This was quickly accomplished. They simply liquidated the kulaks in a ruthless manner. The economic objective was twofold: to raise agricultural production to feed the growing city population and to shift millions of workers from the land to the factories. Soviet industry was rapidly expanding, and

there was an urgent need of manpower. Collectivization made it possible to release the surplus manpower from agricultural production. Nevertheless, the programme ran into rough going at the start—and its troubles are by no means over even to this day.

Unlike the Soviet Union, Communist China has nothing to worry about its kulaks. The so-called rich peasants have already been wiped out in the old-liberated areas and in those provinces where the agrarian reform programme has been completed before the promulgation of the new law. In the newly-liberated areas they are being reduced to a state of complete impotency, and cannot constitute a potential source of danger to the new regime. There is no political reason for resorting, as Russia in 1930, to collectivization as a means of doing away with the rich peasants.

The chief advantage of collective farming is the possibility of using mechanized implements on large acreages of land. But conditions for successful collectivization are yet lacking in China. There is little point in pooling in large acreages unless, first, modern machinery in the form of tractors and the like is available in sufficiently large quantities to ensure mechanization and, second, the surplus manpower released by the use of machinery can be absorbed in some other employment. That means nothing less than a high degree of industrialization.

The Communists cannot, of course, halt at any but the last stage—the stage of Socialism. Without making further strides in industrial development it is hard to imagine how the transformation can be made.

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REPORT FROM CANTON

From a Chinese Correspondent

Ever since the outbreak of the Korean war there has been a steady stream of people returning to Canton either to live or to pass through, en route to Shanghai or to other northern cities. The daily exodus is estimated at between seven and eight thousand. The average number of persons travelling from Canton to Hongkong daily is about two thousand, so there is a difference of around five thousand people.

Exiles Return

Most of these returned exiles were either unemployed, have spent all their money or failed in business in Hongkong and are compelled to return to the mainland where the cost of living is cheaper; they feel that at least they need not pay house rent since they are returning home. Quite a few who have the adventurous spirit have gone to Shanghai to speculate in real estate and to buy up motorcars, which are very cheap. The newspapers of Canton have capitalized on this and have given

much publicity saying; "The people are flocking back to Canton where there is a good and benevolent People's Government." "The stable Government and administration and low cost of living have attracted the people." "People are returning to their bright and glorious liberated territory because of Hongkong's high cost of living and difficulties in getting jobs."

With this influx of people returning each day, the Government has been ever wary of the infiltration of KMT spies and guerillas. The passengers of all steamers and trains on arrival are carefully inspected, questioned and their luggage is searched for concealed arms or other incriminating matter. Letters, books and papers are opened and carefully examined; the search may last for hours. Hongkong and foreign currency after declaration, must be changed to the People's banknotes before disembarkation. Such currency if not declared and discovered, through search, will be confiscated. The custom officers all carry with them

note-books and mark down the amounts to be changed and the names of the owners. An official money-changer has a desk on the wharf or station as the case may be and passengers are asked to change their money then and there. Because of this influx, a city wide house-to-house investigation takes place every few days at the unearthly hour of three A.M. Many squads are sent out in batches of twenty men, eight investigators and twelve soldiers. They bang at the door of homes and when admitted, flash their torches all over the place in a tense and suspicious manner. They look stern and hard. The first thing one is asked, (after it has been ascertained no danger is lurking in the corner), is to produce a registration card, and one has to answer from memory all particulars stated thereon when questioned. If there is the least doubt, trunks and bags are asked to be opened and searched thoroughly. If the person interrogated is drowsy and his answer does not chime with what is on the registration card, he will be taken to Headquarters and detained for questioning and investigation. The reason for this, apparently, is because the authorities have information that a large number of KMT guerrillas are hiding within the city awaiting their chance to start operations.

Contrary to rumor, there is no law as yet, prohibiting young men from 14 to 20 years old to leave Canton. It is true however, that before trains or steamers leave for Hongkong, young men of these ages are targets for detailed questioning. They are asked; 1. Name and address; 2. Where are they going to; 3. On what business; 4. How long will they be away. 5. Where will they live at destination. All the answers are recorded against their names in a book the custom officer carries. Older people are not bothered.

Life in Canton

To those who can get remittances from Hongkong and abroad, the cost of living is very low in Canton because of the cheapness of foodstuff and commodities. But for the average citizen who has no such connections and cannot get a job to earn a living, life is hard and miserable. Today the majority of Cantonese seem to have reached a low level of poverty since business is at a standstill and no work is available. Rice costs the equivalent of HK\$20.- per picul which is very cheap compared to the Hongkong price (i.e. HK\$80.- per picul), but the common complaint is; "What's the use of things being cheap if we cannot earn money to buy?" The city itself is depressing. In the heart of the city the four wide devastated areas that were bombed by the Japanese and later demolished by looters are still not reconstructed and are an eyesore to the metropolis. These sites are the West Bund, South Bund, Wong Sar and Pearl River Bridge areas. Formerly were located here hundreds of the best and most prosperous shops of Canton and these were known as the rendezvous of the elite. These sites have now become

rubbish heaps in the heart of the city. Since it entails stupendous expense and organisation to rebuild such vast areas, the various land owners have not been able to get together to decide on rebuilding plans, despite the many attempts that have been made. It all seems to revolve around the question of the heavy taxes and the uncertainty of local conditions. The People's Government has not expressed any opinion regarding this matter except that a warning was issued to the effect that land-owners must file their claims to their property within these devastated areas within the month of August, otherwise the land will be confiscated.

The present regular shopping centres such as Wing Hon Road, Wai Oui Road, and Tai-Ping Road etc., are experiencing hard times and most shops are half closed with very little stock on display. Import restrictions prevent them from getting new supplies. They are not allowed by law to close down or dismiss their staff but must carry on despite there being no business. The three large department stores have long ago sold out their "Foreign Goods" and in order to keep them operating the People's Government now supplies them with wood for fuel, oil, rice, charcoal, salt and salt-pork to sell. A profit of 3% only is allowed, and presuming that they sell all that is supplied them, the profits do not cover as much as a quarter of the staff salaries. Under these circumstances the economy of the city is at its lowest ebb. The people in general feel that the situation is comparable to that existing during the Japanese occupation, only much worse. Firms that have received permission to close down average about six per day. Others that have to remain open try to save and skimp on the little they have and exist on the bare necessities. A great number of shops cannot afford to feed their staff with white rice but give them gruel or congee (Watery rice). On the whole, the average citizen looks sad and gloomy, wearing ill-looking clothes which adds to his melancholic appearance. Most men usually have their hair cut at home to save money, thus reducing the barbers business to a minimum. Poverty is the common complaint among all the people who will say; "I have not made any money since Liberation." If the truth must be known, in their hearts, the majority pray for a World War III in the hope that Canton will be re-liberated. It is said that the Chinese are used to poverty and privation for centuries but never before has it been so acute and intolerable as it is at present.

Unemployment

Only the known and tested Communist can hope to get work in Canton so the unemployed problem is becoming a serious threat to the peace and order of the city. The chief reasons are due to;

1. Business stagnation;
2. Heavy Taxes;
3. Shops and factories gone bankrupt;
4. Restrictions of imports and exports;
5. Those with education, who are not Communists cannot get jobs with the Government.

The unemployed consist of the following groups of people;

- a. Minor clerks and messengers of the KMT regime;
- b. Teachers who are not accepted by the Communists;
- c. Cosmetic shop workers;
- d. Silk shop workers;
- e. Jewellers and their staff;
- f. All lawyers;
- g. Brokers and auditors;
- h. Aerodrome ground force workers;
- i. Newspaper workers and reporters.

Like other cities such as Shanghai, Tientsin, Peking and Hankow, the situation in Canton is worsened by the influx of farmers who are unable to subsist in the villages and have come to Canton to seek jobs, adding to the already serious problem. In pre-liberation days, Canton was estimated to have a population of 1,800,000 people. At present the population is estimated around 600,000—one third that number. A rough guess is four out of six men are unemployed and that means that Canton has almost half a million unemployed today. Observers consider this an extremely conservative estimate and contend that the rate is higher.

Censorship of Mail

Because of the constant rumour of the infiltration of KMT spies and guerrillas into Canton, the authorities have been much concerned and have imposed a censorship on all incoming mail from Hongkong and non-Communist countries, without exception. This includes letters, newspapers or books that are against Communism and when found will be held up or destroyed. The Head Post Office has added over a hundred men to their staff for this purpose and is not surprising that mail which is delivered within one to two days from Hongkong to Canton, is delayed for a week or more.

Taxation Centralised

The People's Government has reported that within the province of Kwangtung there have recently been established 90 collecting tax offices and 424 sub-offices. This is an improvement over the former system for the following reasons;

1. Former taxes were collected but not turned in to a centralized depot;
2. The 90 tax offices will be responsible to the centralized depot while the sub-offices will be responsible to the 90 tax offices;
3. The centralized depot pays out all expenses regarding supplies and salaries; maintenance and repairs; renovations and buildings;
4. Hitherto there has been much confusion. Taxes were not centralized, but counties collected county taxes in the name of the Government and used it to defray their own expenses. The districts did the same and this applies to cities also. Even some students in Nam Hoong county and the Nam Fong university collected taxes in the name of the Government. This was due to bad organisation and inefficient management which led to smuggling and tax default, thus causing a great loss of taxes.

The report also says; "According to statistics the taxes for the 1st half of 1950—36% has been collected."

Relief of Destitution

On August 1st the People's Government set up a relief organisation to administer relief. 400,000 catties of rice was reported to have been allocated to relieve the dire distress of the unemployed in nine counties in Kwangtung. These counties or Hsiens are Tsoi-Shan, Hoy-Ping, Yun-Ping, Chech-Kai, Sun-Qui, Hock-Shan, Ko-Ming, Yang-Kwong, and Yang-Choon. The problem facing these unfortunates is said to be urgent and immediate and the supplies will be divided among the nine counties according to populations. So far, no figures are given as to their total number but at a rough guess there must be at least 400,000 people. The relief is not given outright but a committee of Government men will supervise the distribution and plan a programme to help the destitute to earn their relief. Therefore, a plan is drawn up as follows;

1. The destitute-unemployed are to register themselves with the local worker's union. The union is to allocate labour work or farm work for them to do, until they can earn or produce enough to support themselves. In the meantime, the union will help the Government to distribute the rice to these destitutes in order that they may subsist.
2. If no farming work can be found, the destitutes may temporarily be used to do community work for the good of the people; e.g. to repair roads and boundary dikes, to dredge drains and maintain public playing grounds, in order to earn their rice.
3. If the unemployed destitute has a home in his native village, he should be sent home to take up farming. The union should provide his necessary fares for the journey.
4. Those who have lost their strength to work or who are sick or too old to work: their names should be brought before the union for discussion concerning relief.
5. Names of destitute teachers should also be brought before the union for discussion concerning relief.
6. Ex People's Government workers who lost their jobs through reductions of staff and who still possess their identity cards should be given relief and the union is to help them find suitable work or help them learn another trade.

Harvest Prospects

The summer harvest has just been completed and new rice is now on the market. The harvest which was approximately 60% good can be said to be fortunate, despite all the rain and floods. Ordinarily the farmer should be highly pleased and satisfied but they are not. Much of what the majority of farmers have gathered this summer, goes toward paying for back taxes of this spring, which they could not pay last March. What is left goes toward paying current taxes for the current summer. Thus many farmers pay out practically all that they have gathered. Instead of eating white rice which he produces, a large number of farmers actually have to eat gruel and a mixture of rice and sweet-potato to arrest their hunger. This is not an isolated case but it is quite common and it has given rise to much discontent and bad feeling.

The more fortunate farmers who had paid their spring and summer taxes have a surplus of grain to spare but because of rumours of a new world war and unsettled political conditions, most of them have hurriedly sold their grain to convert their money into gold bar, which accounts for the large stocks of new rice on the present market, thus reducing the already cheap price to a new low, equivalent to HK\$20 per picul.

With this new price prevailing, the People's Government made the following announcement: "To prevent a shortage of rice in Canton during this coming Autumn, the export of rice will be prohibited. This measure is to prevent profiteers from shipping rice to Hongkong to the injury to Canton and its people. The people are asked to support the Government in this move and if anyone is found smuggling rice, he will be severely punished and the rice confiscated."

Navy Office Transferred to Whangpoo

With Peking's approval the Canton People's navy moved its Headquarters from Tungshan to Whangpoo (outside the city) this month. The large building of the former Whangpoo Military Academy established in 1924 by Chiang Kai-shek with the help of Red Adviser, Mr. Borodin, and Red General, Galen, is now renovated as the People's Navy Headquarters under the direction of Russian advisers and now houses a large navy personnel; it accommodates a naval school, and provides training grounds. In the river facing the Naval Headquarters there are about thirty gunboats and cruisers anchored with names such as; "Liberation 1," "Liberation 2," "Liberation 3," to up "Liberation 7." Others bear the first character Kwan—such as Kwan Ting, Kwan An and Kwan Yuen etc. Close by the Headquarters, is the naval dockyard with a full complement repairing ships, on day and night shift. Two large KMT cruisers, captured when Hainan fell, are in dock. Their names are "Kuo Keung" and "Sun Chung," said to be of British origin; each has a displacement of about 2,000 tons. On the other side of the river there are more than 20 damaged merchant vessels waiting their turn to enter the dock.

Airfield Extensions

Early this month the People's Air Force General, Lau Ah Lo, accompanied by 20 Moscow Russian advisers came down to Canton from Peking to make an extensive survey of the landing fields in Canton and the vicinity. Surveys were made at Tien Ho, Chung Fa, Pai Wan (White Cloud), Tiger Borgis, Sam Cho; the group then went on to Shiu-Kwan, Kook Kwang, Swatow and subsequently to Hainan. According to the advisers, all the air fields are too small and inadequate and must be enlarged, especially those at Tiger Borgis, Sam Cho, Chung Fa and Swatow, for these are considered the most important strategic points for Canton's defence and the protection of the Pearl River. More hangars and

wider runways were suggested. Plans for these improvements are now being considered and mapped out by Peking.

Popular Political Sentiment

Although on the surface there seems to be a democratic spirit in the People's Government and the population may be asked to take part in discussions, which may go on for hours and days, yet in the final analysis, all policies are predetermined and any deviation is not permitted. Like its counterpart abroad, the Canton Communist Party is firmly organised, requiring absolute obedience and discipline of its members. The watchwords are "Practice mutual and self-criticism, Confession, repentance, public apology, and pardon." Any criticism of the Government is condemned as reactionary. Rank is a thing of the past but "equality" is a matter of opinion. There is great inequality in wages and salaries and favoritism in official jobs is not uncommon. Chinese holding similar positions as Russians, (estimated about two thousand, some say more) only draw ¼ or less than his white comrade. The excuse given is that the Russian's salary was fixed by Peking. One may criticise an army commander or a government official freely it is commonly said, but usually the people know better than that, for if they did, they would be immediately dubbed a pro-KMT, a spy or a reactionary. Thus under the veneer of the democracy of the Communists, totalitarian rule exists. The spirit of the Canton Communists is narrow and unfriendly. A non-Communist is an outsider and cannot be trusted, for he must surely work against you.

Indifference to Hongkong

The Canton People's Government is no exception. It looks upon Hongkong not as a friendly neighbour but with indifference. Hongkong's liberation is regarded as a matter of time only. This indifference is perhaps due to Hongkong's fine administration and prosperity. The Government is still smarting under the delusion that Hongkong is unfriendly. Three so-called unfriendly acts have been given great prominence in the Canton papers, namely:

1. A Border incident when an alleged smuggler was chased by Communist soldiers and obtained refuge in British territory;
2. The deportation of labour union leaders;
3. The restrictions on war materials going to Canton.

In retaliation the People's Government has announced, through the People's Bank, Canton, its intention of fixing the People's Bank Notes rate at \$5,600 to HK\$1 instead of PB\$6,000 to HK\$1.

But the population of Canton, as a whole, likes Hongkong and regard it as a paradise and the rich and happy land of the fortunates.

JAPANESE SYNTHETIC TEXTILES

Japan's textile industry before the war depended almost entirely on raw silk, cotton and rayon. Of these three major items, raw silk particularly had a peculiar position, serving as one of the most important side-lines of the farming community. The active demand for Japanese raw silk in the United States enabled it to play a major role in Japan's export industries. Cotton and woollen spinning which made a spectacular advance since the early days of the Meiji era and the rayon industry which forged markedly ahead since the latter part of the Taisho era, on the other hand, had their start in imported raw materials, low wages, modernized technique and rising demands in the Asiatic market.

Japan's cotton spinning and woollen industry have continued to depend on imported raw materials and overseas markets for their existence up to the present, and it cannot be considered that there would take place any drastic change in the status of these branches as processing industries.

In the rayon industry, original dependence on imports of caustic soda, pulp and other cardinal raw materials has been steadily weakened as efforts for self-sufficiency in these raw materials have steadily borne fruit. Japan's rayon industry today has become almost self-dependent except for a certain portion of pulp and a certain amount of industrial salt for manufacturing caustic soda which are still imported.

Cotton yarn, woollen yarn, rayon filament and rayon staple attained their respective peaks during the prewar years as follows:

PREWAR PRODUCTION PEAKS

Items	Year	Production (In lbs.)	% Against World Total
Cotton Yarn ..	1937	1,586,480,000	14.0%
Woollen Yarn ..	1936	155,172,000	7.0
Rayon Filament 1937		335,966,520	28.1
Rayon Staple ..	1938	327,208,691	35.3

During the war, however, the best part of textile machines were requisitioned as scrap for manufacturing war machines, resulting in marked deterioration in production capacities.

PREWAR AND POSTWAR CAPACITIES OF TEXTILE EQUIPMENT

Items	(A)		B/A
	Prewar Peaks	Postwar Capacities	
Cotton Spindles	12,165,000	2,713,000	22.3%
Worsted Spindles	1,623,554	397,724	24.4%
Carding Machines	733	425	58.0%
Rayon Filament (Daily Capacity in Metric Tons)	575	151	26.3%
Rayon Staple (Daily Capacity in Metric Tons)	762	301	39.5%

Production capacities have been greatly restored due to postwar rehabilitation schemes, but the revived capacities as in 1949 were still far behind prewar peaks.

1949 CAPACITIES	
Cotton Yarns	345,719,864 lbs.
Worsted	7,000,000 lbs.
Woollen	18,000,000 lbs.
Rayon Filament	66,737,311 lbs.
Rayon Staple	59,574,597 lbs.

Researches in synthetic textiles in Japan started during the thirties when Japan's textile industries, particularly the rayon, industry, were still going strong, apparently under the impetus of comprehensive studies in this field by Staudinger of Germany and Carothers of the U.S.

Japanese researches in the synthetic textile field were further stirred by the announcement of Nylon and Vinyon in the United States and that of PeCe textile in Germany in 1938, and culminated in the announcement of Vinyon by the Kyoto University laboratory in October, 1939. The Kanegafuchi Spinning Company's laboratory also announced the completion of a similar synthetic textile almost simultaneously. (In those days, Kyoto University called its product "Gosei Ichigo" while Kanegafuchi called its product "Kanebiyan").

Tokyo Polytechnical University followed suit by announcing its two products "Porulan" (Polyuretan series) and Sinsen (Polyvinyl series) in 1941. In the preceding year, 1940, Toyo Rayon announced its Amilan (Polyamide series). From then on, exhaustive studies were made by all these institutions for the industrialization of those newly-discovered synthetic textiles. However, such researches in Porulan and Sinsen failed to succeed, and studies were devoted to Vinyon and Amilan. During the war, however, these researches were greatly obstructed, as the textile industry was greatly neglected by the Government as a non-essential branch. Thus, only a few companies continued the researches during the war.

The advance of synthetic textiles, particularly Nylon, since the war's termination in 1945 was remarkable. Japan, too, made a corresponding progress in industrialization of synthetic textiles. Despite the postwar industrial inactivity and the inflationary spiral, researches in synthetic textiles in Japan continued to be energetically propelled. Test Vinyon products introduced by the Kurashiki rayon plant in 1949 created a new epoch in Japan's synthetic textile industry. In a country like Japan rich in raw materials such as limestone and power essential for manufacturing synthetic textiles such as Vinyon, the advance of synthetic textiles is generally considered to play an important role in enabling the country to balance her international accounts as well as in meeting domestic demands. Thus, the year of 1950 is expected to hold a great promise for synthetic textiles in Japan, particularly Vinyon, which will well emerge from the test stage in 1949 in the industrialization period. Daily production capacities of synthetic textiles at leading factories in Japan as at the end of 1950 are expected to reach the following levels:

DAILY CAPACITIES OF SYNTHETIC TEXTILES

(Daily Capacities in M/T)

Companies	Items	Daily Capacities
Kurashiki Rayon ..	Vinylon series	6
Kanegafuchi		
Spinning	"	3
Japan Vinyon	"	2
Mitsubishi Kasei		
Kogyo		0.2
Toyo Rayon	Amilan series	1

Amilan of the Polyamide series, which resembles Nylon, is now being used as fishing gut. However, Japan's production of phenol, which is the major raw material for manufacturing Amilan, is restricted and import of this raw material will become necessary for the production of Amilan in excess of a certain limit. For the time being, therefore, the production of Amilan is limited to industrial and fishing uses. Vinyon is a synthetic textile completed in Japan according to the following formula: limestone-carbide-acetylene-acetic acid-vinyl acetate-polyvinyl acetate-poval-poval fibre-heat treatment-acetalization-vinyon.

Japan is almost limitlessly supplied with raw materials necessary for manufacturing Vinyon except industrial salt required for saponification of polyvinyl acetate. Poval fibre, which is soluble in water, is given heat-proof and water-proof strength through heat treatment and acetalization, the special feature which characterizes Vinyon. It was on the strength of this special feature that Vinyon is being industrialized as a practical fibre for clothing material. It is reported that a synthetic textile called Orlon (of the Vinyl series) is being manufactured in quantities in the United States this year.

According to Kyoto University, the special features of Vinyon are give as follows:

Specific gravity	1.30
Dry tenacity, g/d	2.0-6.0
Dry elongation, %	15-30
Wet/dry tenacity, %	65-85
Young's modulus, kg/mm ²	250-1150
Elasticity	Better
Bending strength (times)	10,600
Abrasion strength (times)	50,000 up
Softening point in air, °C	210
Softening point in water °C	100 up
Hygroscopicity, %	5
Dyeing property	Rather good
Acid resistance	Strong
Alkali resistance	Strong

Vinyon is now widely popularized as a welcome material for socks, underwears and hosiery goods because of its durability (3-5 fold that of cotton and woollen goods) and its heat preservability (almost equalling wool). Vinyon is also used for industrial purposes (for manufacturing fatigue dress, filter cloth, packing cloth, paper felt, etc.) for fishing purposes (fishing lines, fishing nets and ropes) and for manufacturing household necessities (such as table cloth, sheeting, curtains, carpets, matting, guts, brushes, tents, cables, surgical thread and tatami borders).

Amila has almost the same features as those of Nylon and is used for the same purposes. In view of the easy access to raw materials and the variety of its uses, Vinyon is considered so far

JAPAN'S FLAX SPINNING INDUSTRY

With the Government's control on the distribution and prices of flax products abolished, respectively, in September, 1949, and in January, this year, the flax spinning industry has been placed in all respects on a free enterprise basis, and businessmen in this field are in a position to give full play to their talent in the forthcoming free competition. The same can be said of another important division of hard and bast fibre spinning in this country, i.e. ramie.

It appears to be hardly possible to boost at one stroke the production of hard and bast fibre products. Suffice it to mention that last year's flax crop was exceptionally poor in Hokkaido, the only promising district for flax growing in Japan, and that, due to the current political uncertainty and economic confusion in China, it is next to impossible to import a necessary amount of ramie for some time to come.

In Hokkaido, flax acreage in 1949 decreased by 3 per cent to 24,000 chobu from 24,800 chobu in the year previous, and flax straw purchases decreased by 20 per cent from 70 to 75 million lbs.

the first synthetic textile best fitted to Japan. The production cost per pound of Vinyon (spun yarn) at a factory having a daily capacity of 5 metric tons will be around Y360 at the time of the inauguration, but there is every prospect of its drop to Y300 or less, if the plant is self-supplied in major raw materials. The production cost of Amilan will be about 50 per cent higher than that of Vinyon, according to data available at present. While the future advancement of synthetic textiles depends largely upon the quality and cost factors as well as the demands in overseas markets, it is considered that there is every reason to justify the advisability of a daily production of 100 metric tons of synthetic textiles in Japan, or a daily output of 1 lb. per capita. It may be added that Japan Celluloid and Nippon Chisso have been undertaking the test production of Estron, although this fibre does not belong to the family of synthetic fibres. Plans are also under way for manufacturing Vinyl chlorides series.

The final verdict on the fate of Japan's synthetic textiles will be given when the supply-demand situation of all textile products becomes normalized, as various fibres have not been utilized to the best of their merits. So far, no attempt has been made to mix Vinyon with other fibres, but in view of its characters, Vinyon may be promisingly mixed with wool.

The future transition of Japan's synthetic textiles will depend on the stabilization of the first stage of the Vinyon industry. Lessons from such a stage as well as economic and technical advances in the textile circles may encourage the multilateral stage of progress for synthetic textiles. Thus, synthetic textiles will remain on a preparatory stage in the coming few years.

in the same period. Therefore, flax fibre output this year will suffer a considerable drop from last year's 16.3 million lbs. On top of this, inventories of both flax and ramie are rather short. Stocks at present are roughly estimated at not more than 3.5 and 0.5 million lbs., respectively, for flax and ramie. Hence comes the urgent need of securing their smooth imports by all means.

As things stand now in the Far East, an immediate increase in imports of Chinese ramie cannot be anticipated. As to flax, the Teikoku Sen-i K.K.'s petition for purchase of Belgian superior fibre has recently been validated by SCAP. Adequate steps must be taken for continuous import of Belgian flax, for it is difficult for Japan to export linen products in competition with European manufacturers unless superior flax, such as the Belgian product, is supplied abundantly. If enough good hard and bast fibres were provided, ramie and flax spinning would become one of the promising export industries just as other textile divisions, such as cotton, wool and rayon.

Among a large variety of flax manufactures from tarpaulin and heavy sheeting to handkerchiefs, factories are planning to concentrate upon superior exportable varieties, such as suiting, shirting, household linen and damask. Postwar exports include the following items:

Destination	Major Varieties
U.S.A.	Shirting, suiting, table-cloth, toweling
Egypt	Shirting, suiting
Sweden	Canvas
Thailand	Fire hose
Canada	Toweling
India	Fire hose
China	Fire hose
Pakistan	Suiting
Formosa	Fire hose
Hongkong	Shirting

Especially encouraging is the export outlook for shirting, suiting, toweling, table-cloth and damask (bound for the United States) and fire hose (India, Thailand and China). If the dollar shortage in the Southeast Asia countries is alleviated, exports of fire hoses and some other linen products will increase. On the other hand, it is essential for Japanese manufacturers to strive more than ever for qualitative improvement and cost cutting, so that their products may be able to compete with Irish linen on the world market. Moreover, insofar as flax products are concerned, it is necessary to lower the Y360 exchange rate.

As of October, 1949, there were in operation 152,364 flax spindles, of which Teikoku Sen-i possessed 78,666 spindles and Nippon Sen-i 67,204 spindles, or a combined total of 145,870 spindles or 96 per cent. Other minor firms are: Kotoura Boshoku, Yamaki Asa Boseki, Chuetsu Boshoku, Daishin Boshoku, Tobari Asa Kogyo and Osaka Asaito. It must be noted here that Teikoku Sen-i, the largest concern in this field, is scheduled to be divided into two corporations (one allotted 34,042 spindles and the other 44,624 spindles), under the provisions of the Excessive Economic Power Deconcentration Law. With the completion of Teikoku Sen-i's deconcentration, heated competition will occur for lower cost and better quality among the two deconcentrated firms and Nippon Sen-i.

As rival products can be made from ramie and cotton in many fields, technical and managerial innovations must be introduced so that the characteristics of flax, such as strong, flexible, water-proof and easy to dry, may be utilized to the fullest extent. This is particularly necessary because the existing flax plants and equipment have become considerably obsolete and outmoded due to insufficient replenishment and repair work during the war.

Problems of Japan's Cotton Spinning Industry

(By a Japanese Manufacturer)

As at end of 1937, Japanese spinning spindleage to 4,000,000 spindles, thus officially defining the scope of our cotton industry.

The Pauley reparations plan was the first to take up the problem of restrictions to be imposed upon Japan's cotton spinning capacity. At the outset, the plan set the limit of spindleage permissible for Japan at 3,000,000 spindles, any number exceeding this limit to be exacted for reparations. Past competitors of Japan in the cotton field, such as England, India and China apparently considered the Pauley limit to be still too generous, and China went so far as demanding a cut of the maximum limit to 2,500,000 spindles.

In a directive issued in February, 1947, however, SCAP clarified its policy of allowing the recovery of Japan's

With the recovery program scheduled to be completed during this year and with the imports of 1,300,000 bales of raw cotton for this year already arranged, Japanese cotton mills are expected to resume full operation in the near future. Under these circumstances, the spindleage increase problem is likely to come into the limelight again as one of the major industrial issues of 1950. Many provisional plans and tentative programs have so far been drafted by Japanese Government agencies and private industrialists relative to Japan's cotton equipment. Representative of these is the "final five-year economic recovery plan" prepared by the Economic Stabilization Board and the cotton industrial plan drafted by the Goshu, Ltd. In the former plan, the E. S. B. estimated the demand for

cotton products (in term of 26 count yarn) in 1953 as follows:

Exports	532,000,000 lbs.
Domestic Consumption ..	228,000,000 lbs.
	(2.6 lbs. per capita)

Total 760,000,000 lbs.

To produce this amount, the E.S.B. further estimated that Japan should own a total of 6,000,000 spindles, including 565,000,000 operative spindles.

The Goshō plan, on the other hand estimated the 1953 goal (in terms of 26 count yarn) and necessary equipment as follows:

Exports	544,264,000 lbs.
Domestic Consumption ..	262,023,000 lbs.
	(2.99 lbs. per capita)

Total 806,287,000 lbs.

Total Spindleage	6,485,000 spindles
Operative Spindleage ...	5,937,000 spindles

In making the foregoing estimates, the drafters of the plans first calculated the amounts of Japan's exports and imports for the year under review at levels sufficient for her economic autonomy. On the basis of this calculation, they counted out the consequent deficit in international account, and then fixed exports of cotton goods at a level sufficient to cover such a deficit. In this connection, the writer wishes to take a different stand and ventures to estimate necessary spindleage from two standpoints.

In the first plan, the writer bases his estimate on probable exports and prospective domestic consumption. Estimating such probable exports of cotton fabrics at 1,300,000,000 square yards (about 50 per cent of the peak period — the 1935-37 average) and those of cotton yarn and sundry cotton goods at 111,000 bales, and further estimating prospective domestic consumption at 5 lbs. per capita (80 per cent of the 1930-34 average), the results would be as follows:

Exports	259,550,000 lbs.
Domestic Consumption ..	436,154,000 lbs.

Total 797,716,000 lbs.

Note: Exports in terms of 26 count yarn;
Domestic consumption in terms of 22 count yarn.

On the basis of these figures, the required spindleage would stand at:

Total Spindleage	5,475,000 spindles
Operative Spindleage ...	4,927,000 spindles

Note: Operative rate 90 per cent.

The second plan of the writer is based on the capacity of existing weaving machines estimated at 220,000 units throughout Japan as at the end of 1949. Of the said 220,000 units, 170,000 units were exclusively used for weaving cotton fabrics, while the remaining 50,000 units were used for other textiles, such as wool. It should be noted in this connection that while the former included 29,000 single-breadth machines, the latter were all double-breadth machines. Further note should be taken of the fact that the former were operating partly for 16 hours a day and partly for eight hours while the latter were operating for 16 hours a day. Assuming that all existing weaving machines were double-breadth ones operating 16 hours a day, therefore, it might be taken that there were about 166,000 weaving machines in Japan as at the end of 1949. Further assuming

JAPAN'S SHIPBUILDING INDUSTRY

Trade & Shipping: — The key to Japan's economic recovery and survival exists solely in foreign trade. And Japan's foreign trade may well be fostered and promoted only through the development of processing industries in which she may well import raw materials, manufacture them into finished goods for export through the utilization of her abundant labour and superior technique, and purchase what consumer goods she needs with income from such processing services.

For smooth execution of foreign trade, shipping is indispensable. In other words, an adequate volume of vessels should be at her service. In the days directly preceding the outbreak of the Pacific War, Japan had 2,693 vessels aggregating 6,300,000 gross tons. She could carry all her exports and imports by her own vessels and earned a comfortable income from invisible trade to make up for her import excess. These Japanese vessels, however, were almost completely destroyed during the war. The damage caused to Japanese vessels during the last war may well be imagined when we note that the number of casualties among sailors was greater than that among army forces. Japan built a total of 3,340,000 gross tons of vessels during the war, but the attrition rate far exceeded the building tempo. Thus, 2,820 ships, aggregating 8,890,000 gross tons, were sunk during the war and Japan found herself with only 1,120,000 gross tons (with low-efficient and hastily-built wartime-model vessels accounting for 70 per cent) upon her capitulation. Since the war's termination, Japan has so far added about 500,000

gross tons to her merchant fleet by repairing salvaged ships and building small-model vessels. Japan's commercial fleet today, however, is still low and weak in efficiency, as only 10 per cent (about 140,000 gross tons) of the total tonnage is fit for ocean-going voyages. At present, only the Arima-san Maru, the Hikawa Maru and the Kiyokawa Maru form a lonely trio well qualified to cross the Pacific Ocean, a miserable comparison with prewar days when scores of luxurious and high-powered vessels were on the Japan-North America routes.

For Japan, an insular country depending almost solely on foreign trade for her economic recovery, shipping offers the only means for active export and import operations. The lack of bottoms, therefore, proves extremely disadvantageous to her. An analysis of the price of a bulky cargo clearly indicates how large a percentage the freight charge takes. Japan is paying a freightage almost double the price at the place of origin of coal or heavy oil she imports. Thus, it may well be seen that the recovery of Japanese economy through foreign trade demands a corresponding rehabilitation of marine transportation. The rehabilitation of marine transportation, in turn, indisputably demands the recovery of her shipbuilding.

Shipbuilding Industry:—

Japan at present has 80 shipbuilding yards capable of building steel ships with 120,000 workers, with their annual capacity estimated at about 800,000 gross tons. This capacity is somewhat overestimated; the actual capacity stands somewhere about 400,000 gross tons.

The peak in Japan's actual shipbuilding volume during the past 15 years was reached in the year directly preceding the outbreak of the war when it totalled 480,000 gross tons. The 15-year average stands around 350,000 gross tons. Few Japanese industries are so fluctuating as the shipbuilding industry. Past shipbuilding check-ups (new vessels only) show that the worst year dived to as low as 100,000 gross tons while the best year (except for wartime years) accounted for around 500,000 gross tons. During the prewar days, Japanese shipbuilders tried to rectify such irregularities by repairing old ships and taking to sideline operations. During the boom days, the profits of shipbuilders were divided into 70 per cent from building new ships, 20 per cent from repairing operations and 10 per cent from miscellaneous engineering orders. The profit situation of shipbuilders notably aggravates when the percentage of new shipbuilding operations falls below 50 per cent, although this rule does not apply to dockyards specializing in repairing operations. In analyzing the shipbuilding cost of new vessels, it is noted that about 60-65 per cent goes for raw materials, such as steel materials, pig iron, lumber and fuel, while the remaining 40-35 per cent covers the ex-

that each weaving machine were to consume 5,000 lbs. of raw cotton (in terms of 20 count yarn), an estimated total of 830,000,000 lbs. of cotton yarn would be required to supply the said 166,000 machines. It may also be estimated that the demand for cotton yarn for manufacturing sewing thread and yarn for use in making hosiery goods, tire-cords and fishing goods would stand at about 20 per cent of the total domestic yarn requirements. Thus, Japan's annual yarn consumption would well reach, 1,036,000,000 lbs.

The problem is, how many spindles Japan requires for manufacturing the necessary amount of yarn. Placing the annual output of yarn by a single spinning machine at approximately 200 lbs. (in terms of 20 count yarn), the following figures may be obtained:

Total Spindleage	5,757,000 spindles
Operative Spindleage ...	5,181,000 spindles
	(Operative rate 90 per cent)

These figures, aiming at Japan's economic autonomy, eclipse the SCAP-authorized levels. Solution of this problem, therefore, certainly has an important bearing not only upon Japan's cotton spinning industry but also on the stabilization of the livelihood of her people and on her economic reconstruction in the long run.

JAPAN'S CHINA WARE INDUSTRY

penses of shipbuilding yards, such as personnel expenses and indirect expenses.

Exports and Shipbuilding:—Ships are required for transporting imports and exports. At the same time, ships themselves form a major export item. Steel ships largely depend upon iron and steel as raw materials. Hence, 20-25 per cent of the price of the ship is required for purchasing steel materials. Under the circumstances, the prices of steel materials have an important bearing upon the price of the ship.

Japan's iron industry is not yet up to the international level, because of its smaller scale and its dependence upon foreign raw materials. Hence, prices of Japanese iron and steel materials are hardly able to compete with those of foreign products. During prewar days, Japan imported steel materials at prices far lower than domestic products, even by paying sizable transport charges from countries of origin, such as Germany. The higher prices of domestic steel materials were one of the major deterrents to the Japanese shipbuilding industry, and the exports of ships were not realized during the prewar days except under extraordinary circumstances.

During World War I, Japan exported ships to the United States in exchange for steel materials. Japan built ships for the U.S. Shipping Board and got steel materials in return at the rate of 0.5 metric ton of steel materials for each metric ton of ships exported. Even this small return was a boon to Japan's shipbuilding industry which, then, was suffering from an acute shortage of steel materials. The price of steel materials in those days stood at \$72.8 per metric ton while the price of the ship averaged \$175.0 per metric ton. Calculated on the basis of cost factors of the "Eastern Importer," one of the ships built by Mitsui Shipbuilding Yard for export at that time, the cost of steel materials was shown to account for only 10 per cent of the overall price of the ship. The sharp gain in the ratio of the materials cost, with the present cost of steel materials accounting for more than 20 per cent, therefore, deserves close scrutiny, even taking into consideration a notable change in the design of shipbuilding in the past several years. Japan made the first postwar exports of ships in 1948, when Mitsui Shipyard and Harima Shipbuilding Yard built and delivered a whaler each by the order of Norway. Since 1948, Japanese shipbuilders have received many orders for large-model ships from Denmark, Norway, France and the Philippines. The *Else Maersk*, completed by Mitsui Shipyard and delivered to Denmark in January, this year was the first large-model ship exported after the war. Another Danish ship, the *Ellen Maersk*, delivered to Denmark by Mitsui Shipyard in March, this year, was the second of the kind. So far, 30 ships have been delivered or are about to be delivered to foreign customers for a combined total value of \$30,510,000 (including a tanker ordered by Brazil at the end of 1949). In addition, numerous small wooden ships have been delivered to the Soviet

Boasting a long history and deep-rooted tradition, the production of chinaware, kitchen-ware in particular, has been one of Japan's most important cottage industries since the feudal age. As clay and other materials are abundant all over the country, chinaware plants have developed more or less in almost all prefectures although the central part of the Main Island has long been the centre of this industry.

It was not until the middle of the Meiji Era, however, that chinaware plants were first mechanized and modernized, and it was since the latter years of that era that, with the development of industry and civilization, new divisions of the chinaware industry, such as insulators, tiles, sanitary goods and anti-acid equipment, have made remarkable progress. For all this, minor enterprises of the cottage industry type, based upon traditional technique and equipment, still predominate in this field. A statistical survey reveals that small plants em-

ploying less than 20 workers account for about 80 per cent of the total chinaware factories. But this is not so much a weak spot as a strong point, for it is simply because of these traditional characteristics and circumstances that Japan's chinaware industry has successfully overcome, with more resilience and flexibility than generally imagined, all sorts of economic crises in the past. Since the war's end, for instance, it has tided over the unprecedented economic dislocation and confusion and recovered to its prewar level as one of the major export industries.

As of June, 1949, chinaware plants in the whole country numbered about 4,428, or about 70 per cent of the 1937 level of approximately 6,400. Their employees totalled about 60,000 or just the same as in 1937. Adjusted for the price advance in the meantime (250 fold during 1937-49), however, the 1949 production represented only 46 per cent of the 1937 mark as may be noted in Table 1. All this is attributable to the following circumstances:

Union. Thus, ships have been playing an important role in Japan's export trade. Despite the encouraging showing since the war's termination, however, future prospects are not unconditionally bright and optimistic because of various obstacles.

Future Prospects:—Shipbuilding technique, originally slow and tardy in progress, has made an apparently speedy advance during the past ten years or so. While Japanese shipbuilders were busy making low-efficiency, wartime-model standard ships during the war, other countries succeeded in building high-efficiency new-model vessels by adopting the electric welding process for virtually all parts of vessels. These new-model vessels require less labor and have larger loading capacities, and it may be said that these "economic" ships indicate the direction of shipbuilding in the future. Although belatedly, Japanese shipbuilders are making exhaustive studies in the electric welding process and have applied this new process successfully to making some new ships. It goes without saying that the price of a ship should be based rationally upon international freight rates if it aims at being economically acceptable, as ships are required to engage in transporting cargo on international routes. While cost factors are a controversial issue in the shipbuilding business, the success of Japan's shipbuilding industry depends largely on the consistency of Japanese shipbuilding expenses with international levels and the adoption of depreciation and money rates which may well compete with those of international standards. In filling overseas orders for ships, Japan's abundant manpower should be effectively utilized and efforts should be directed toward building vessels of international technical standards within the shortest possible period. Otherwise, Japan is

destined to meet stiff foreign competition. In connection with sub-contractors numbering more than 80 different kinds which occupy about 60 per cent of the price of a ship, the cooperation of their manufacturers, guided by fair and rational recognition of international conditions, is required. Shipbuilding yards, responsible for the remaining 40 per cent of a ship's price, are required to bolster their working efficiency through advancement of technique.

The volume of labour required for shipbuilding operations in Japan is about double that required in England and some North European countries. On the other hand, wages in Japan are about one-third of those in these countries. Thus, personnel expense stands almost equal. Hence, prices of steel materials, accounting for more than 20 per cent of the ship prove a decisive factor. Having to depend upon imports for iron ore and high coking coal, Japanese iron works find it impossible to manufacture steel materials at the same unit prices as iron mills in England or Northern Europe. As there is every possibility that Japan's shipbuilding technique will well reach the international level with proper efforts, the adoption of a barter system under which steel materials are imported in exchange for ships is considered of urgent necessity for Japan.

By and large, Japan's economic recovery cannot be expected without the rehabilitation of her shipping. Estimating the total volume of Japan's marine transportation under normal economic conditions at 91,000,000 metric tons and placing the volume to be transported by domestic ships at 73,000,000 metric tons, the demand for necessary bottoms reaches 4,280,000 gross tons. This in turn, requires a boost of Japan's shipbuilding capacity to 400,000 gross tons and her ship repairing capacity to 4,000,000 gross tons.

1. PREWAR & POSTWAR PRODUCTION OF CHINAWARE

(In 1,000 yen)

	1937	1949
Tableware, Toys, Ornaments, etc.	91,450	8,108,690
Electric Insulators, etc.	10,800	1,089,390
Sanitary Goods	4,170	788,450
Tiles	5,990	1,098,690
Industrial Equipment	6,480	414,640
Physical and Chemical Equipment	—	37,020
Others	1,440	3,400
Total	120,330	11,510,280
Index adjusted for price advance	100	46

(1) Although plants have been restored one after another, their machines and equipment still remain obsolete and un replenished;

(2) Although the number of employees have increased rapidly, skilled labour still is lacking and labour efficiency remains on a considerably low standard;

(3) With the loss of overseas possessions and the ever-worsening change-over from postwar inflation to deflationary recession, domestic demand has been on the downturn. Moreover, export prospects are becoming darker than ever due to the consolidation of bloc economy in the Sterling area and the decline of export prices, although utmost efforts have been concentrated on cultivation of overseas markets in order to cope with the contraction of home requirements.

Such being the circumstances, it is unlikely that both production and sales (domestic consumption plus overseas shipments) will pick up to prewar normalcy in the near future. Thus, nothing now appears to be more urgent than adjustment and rationalization. The situation is such that only those interests with lower costs and better quality will survive this crisis.

Japan's chinaware production in 1949 totalled ¥11,510 million, of which exports comprised more than ¥6,500, or well over one half. Furthermore, of the 1949 total exports, pottery and porcelain represented 3.9 per cent or the third largest item next only to machinery and textiles in the order named. These figures eloquently speak of the chinaware industry's importance in foreign trade as well as its considerable dependence upon overseas markets.

Before the war, the United States was the best client for Japanese chinaware. So has it been since the war's end because international trade has been normalized first with that country (see Table 2). Indications are that it will take on more importance than ever as a market for chinaware. It must be cited here that continental markets, such as Manchuria, Kwantung Territory and China, which constituted the second largest outlet next only to the United States, still remain closed and will not be re-opened on a prewar scale, and that shipments to other Asiatic countries, such as India and Pakistan, are now almost hopeless. Exports to South America have dropped almost to nil because the pottery industry has been promoted in such countries as Brazil and Argentina along with their industrialization programs.

COMMERCIAL MARKET REPORT

Foreign Exchange Applications in China

Indicating a tendency to relax the regulations in regard to the allocation of official foreign exchange, it is interesting to learn that the East China Foreign Trade Bureau in Shanghai has approved the first batch of applications submitted in this respect by private importers. Meanwhile further applications by individual importers as well as by various manufacturers' associations are under consideration by the Bureau. The applications that have been approved cover essential commodities such as raw rubber, copper wire, black plate waste waste, sodium hydrosulphite and quebracho extract; applications for what are considered non-essentials such as typewriters, timber, spices, have been turned down.

In Canton, the South China Foreign Trade Bureau has announced that applications for foreign exchange and applications for import permits may be submitted simultaneously in regard to imports during the months of August, September, October. This will accelerate the procedure in regard to the importation of approved items.

Exports of Sheep

A recent notification by the South China Foreign Trade Bureau in Canton states that the exportation of sheep from South China will now be permitted, the reason given being that as

sheep-raising is only an auxiliary pursuit in South China and as there is no use to which the wool can be put, it is unnecessary to impose restrictions upon this export.

Paper Shortage

The shortage of paper is apparently becoming more acute and a large group of British paper manufacturers have announced that they are fully booked up five or six months ahead, but that in order to safeguard their old clients they are now instituting a sales control system which means that quotas will be allowed according to previous sales. Hongkong has a fair stock of high-grade paper on hand but it is clear that for the time being restrictions will be necessary to ensure that no undue inconvenience is caused. One of the reasons for the shortage although the mills are reported to be working at a maximum, is the difficulty of procuring the necessary raw materials.

Hongkong Commodity Reports

(HK\$ equals 1s. 3d. or US 17½ cents;
1 picul equals 133.3 lbs.)

Cotton Piece Goods & Cotton Yarn

With dealers from the Philippines and Indonesia in the market for Cotton Piece Goods, as well as from Thailand and Pakistan to a lesser extent, trading

2. PREWAR & POSTWAR EXPORTS OF CHINAWARE

(In 1,000 yen)

Destinations	1937	1949
Manchuria	22,222	—
Kwantung Territory	2,353	—
China	1,146	—
Hongkong	363	277,124
India	4,240	25,600
Straits Settlements	1,174	144,383
Philippines	1,431	101,094
Thailand	270	122,714
Britain	1,171	11,747
U.S.A.	27,460	3,092,769
Canada	4,038	387,915
Argentina	1,259	155
Brazil	1,036	1
Egypt	364	362,599
South Africa	1,259	116,316
Australia	2,597	885,082
Indonesia	3,109	333,761
Others	9,477	120,434
Total	64,971	6,496,000
Value in \$1,000	15,287	18,044
Index adjusted for price advance*	100	47

* Calculated on the assumption that the 1949 price level in the U.S. was 2.5 times higher than that in 1937.

In addition to the serious decrease of domestic consumption, overseas markets have thus been shrinking more and more in all parts of the world. In order to cope with such a predicament, there is no alternative but to foster (or more correctly, maintain) shipments to the United States and Canada as well as to restore other prewar markets by all means.

With the turn of the current year, the Japanese Government has been carrying on the so-called Logan Plan for further promotion of foreign trade.

Trade arrangements have been signed with many countries suffering from the dollar shortage, so that Japan may first buy what the signatory nations want to sell and then sell, in exchange, what little she can export. This ambitious plan to restore as many prewar markets as possible, however, is not proceeding on schedule as a whole, and exports are not expanding as anticipated. Chinaware trade is no exception. If political and economic conditions had been stabilized in the Far East and Southeast Asia, chinaware shipments would have increased to the prewar mark. But early stabilization in this part of the globe is none other than wishful thinking under the current conditions.

In the United States, the chinaware industry has developed to the stage where it can well meet home requirements. This notwithstanding, the United States is the best client for Japanese chinaware. Many reasons can be pointed out, but the most important is that Japanese porcelain, especially tableware, have their own charm because they are made with workmanship, ingenuity and patience indigenous to Japanese. From the foregoing, it can be concluded that simply because it retains many recommendable features of cottage industry peculiar to this country, the chinaware industry still is in a position to compete even on the United States market with the American manufacturers who operate considerably mechanized and rationalized plants and equipment.

was brisk and prices showed an improvement: in Grey Sheetings, the best quality rose to \$58 per piece, and other prices ranged around \$54.50, \$52.50, \$51.50 and \$48.50 per piece; the Japanese make was particularly in demand and sold at \$58 and \$53 per piece. In White Cloth, prices were from \$57 down to \$54.50 and \$51 per piece. The prices of Black Cloth were around \$55 and \$52 per piece.

Trading in Cotton Yarn was also active with Thai dealers in the market, and prices rose with a discontinuance of supplies from Shanghai. In 10's Indian yarn rose to \$1020 and \$1040 per bale, while the Hongkong make improved to \$1100 and \$1120; in 20's, the Indian make rose to \$1250, \$1180 and \$1140, Hongkong yarn stood around \$1430/\$1450 and the Shanghai make rose to \$1270/\$1280 per bale; in 32's Indian yarn fetched from \$1700 to \$1500 per bale, the Hongkong make rose to \$1680/\$1700, while the Shanghai yarn improved from \$1450 to \$1550 per bale.

Raw Cotton

Following an upturn on the New York Raw Cotton market, prices locally rose: US 15/16" 1st quality improved to \$2.35 and 3/8" 1st qual. to \$2.25 per lb. Egyptian cotton also rose to \$1.75 per lb. and cotton from Iran to \$1.70 per lb., while Thai raw cotton fetched \$1.92 per lb.

Metals

In spite of the anxiety felt that the controls on the export of certain Metals from Hongkong to China might be extended to cover a wider range, merchants were prepared to make forward bookings. At the same time, local market prices rose following a notification from British suppliers of certain specifications that they are no longer able to effect deliveries. The prices of Mild Steel Plates rose, notwithstanding an attempt from Shanghai to bring them down; at the close they were: 4 x 8' 1/32" to 3/32" \$80 per picul, 1/4" \$85, 3/16" to 1/2" \$82 per picul; in 5 x 10' for all specifications the price rose to \$80 per picul. Galvd. Mild Steel Sheets of Japanese make improved in price, 3 x 7' G30 in particular rising to \$11.50 per sheet, while the Belgian product sold at \$11.20; other prices were: (Japan) 3 x 7' G24 75 cents per lb., G26 84 cents, and G23 92 cents. Following a shortage of stocks of Mild Steel Round Bars of 40 ft. in length, local merchants showed interest in 20 ft. and up. The price of 40 ft. 1/4" and 5/16" rose to \$52, 3/8" fetched \$50 per picul, 1/2" and 3/4" were quoted at \$49 and \$47, 7/8" stood at \$46, 1" at \$46.50, and 1 1/8" at \$43 per picul, while 1 1/4", and 1 1/2" and all specifications in 20 ft. lengths stood at \$50 per picul. Mild Steel Square Bars were weaker, the price per picul in all sizes falling to \$45 per picul.

The market for Galvd. Pipes has been of late extremely active, with heavy quantities being despatched to China. Local exporters have, however, now been informed that British suppliers can no longer accept orders for 18' to

22' in thick specifications. As thin sizes have not been affected, heavy buying took place in these classifications. European 18-22" 1/2" stood at 90 cents per ft., 3/4" at \$1.10, 1" rose to \$2.10 per ft., 1 1/4" to \$2.30, 1 1/2" to \$2.60 and 2" to \$3.70 per ft.; quotations for large sizes were: 2 1/2" \$5.20, 3" \$6.60 and 4" \$7.80 per ft. Dealers from Canton showed interest in Iron Pipes, but stocks were not available. Galvd. Wire was also in demand during the week, especially the Japanese make, resulting in improved prices: G8 was quoted at \$75 per picul, G10 at \$81, G12 at \$87.50, G14 and G16 rose to \$105, while G14, en route, went up to \$110 per picul.

Some price increases were noted in Tinplate Waste Waste, with demands for Bethlehem Steel Export Corp. and other brands, 18 x 24 (Coke) 200 lbs. standing at the end of the week at \$127 per picul, while Bat Brand 3-10" was quoted at \$98. Electrolytic tinplate Bat Brand 8 x 24" in 200 lb packing was quoted at \$115, and tonnage packing of ordinary quality fetched \$110. The indent prices of Brass Sheets were raised on both British and Japanese specifications: Spot prices showed sharp increases 9 ozs. selling at \$255 per picul and 14 ozs. at \$230. Blackplate Waste, Waste, was in good demand by North China dealers, and as a result of a shortage of stocks merchants showed interest in forward buying for November/December delivery, G29 and G33 being quoted at \$55 per picul.

Dyestuffs

The market for Dyestuffs was not particularly active; buyers adopting a "wait and see" policy, in the hope that prices will be reduced as a result of the rehabilitation of dyeing works in China. The prices of ICI products, with a few transactions, remained steady and Methyl Violet 2 B sold at \$900 per picul, Naphthalene Scarlet 4RS at \$900, Chlorazol Black at \$430, Chlorazol Sky Blue FFS at \$960, Metanil Yellow YK60 at \$700 and Indigo Vat 60% grains at \$960 per picul. Poor trading took place in Nacco products, as prices were considered too high. Calco products also were not greatly in demand.

Paper

Towards the end of the week the Paper market developed activity, with buyers from India and Taiwan interested. Prices remained steady throughout, except for Strawboard, the price of which was affected by a disastrous fire in a factory that usually supplied 60% of the total Dutch output, resulting in uncertainty as to future supplies. Egyptian dealers hoped to fill the gap, but little interest was shown in their product due to the high prices asked. Prices for Yellow Strawboard at the close were: No. 8 25" x 33" (Holland) \$530 per ton, No. 10-14 \$880 per ton, No. 12-16 \$600 per ton and No. 22-40 \$600 per ton, No. 8 (Taiwan) stood at \$535 per ton. Other papers were steady: Cellophane, showed an improvement 36 x 39" (British) rising to \$107 per ream, while the French and Italian

makes of the same specification stood at \$88 and \$87 per ream respectively and the Belgian, Polish and Czech, also of the same specification, stood at \$90, \$85 and \$83 per ream respectively; the British make of this specification (coloured) was quoted as high as \$115 per ream. Newsprint in sheets showed little alteration, 50 lbs. 31 x 43" selling at \$22.50 per ream, while other specifications were unchanged. MG Sulphite showed an improvement in nearly all specifications: 35 lbs. and 38 lbs., white, 31 x 43 were quoted at \$22 and \$24 per ream respectively, while 40 lbs. and 47 lbs. 35 x 47 stood at \$28.20 and \$32 per ream. Duplex Board also advanced in price, 240 lbs. being offered at \$185 per ream, 215 lbs. at \$165 and 200 lbs. at \$140 per ream.

Rubber

With the strikes in Indonesia settled and increasing deliveries of Rubber to Singapore, prices fell; buyers held off feeling that the downward trend was likely to continue. At the close, prices were as follows: Smoked Rubber Sheet No. 1 dropped to \$385 per picul, No. 2 fell to \$380, No. 3 to \$375 and No. 4 to \$365 per picul. Rubber Ends 1st quality stood at \$280 per picul and 2nd qual. at \$250. Indonesian Sole Crepe Rubber was offered at \$450. Singapore No. 2 at \$340 and No. 3 at \$300 per picul. Pale Crepe No. 2 was quoted at \$240 per picul and Pale Crepe Ends at \$210 per picul.

Rubber Tyres

The steep rise in the price of Tyres recorded for the past three weeks steadied slightly, although prices still remain high as a result of short stocks and continued demands from China. For some time shipments to China have been made via Macao, but the railway through Canton is now found to be more advantageous. Prices at the close were: US brand 32 x 6 and 34 x 7 \$280 and \$380 per set respectively. Good Year (England) of the same specifications \$360 and \$515 per set. Dunlop (England) \$350 and \$525, Firestone \$300 and \$400 per set respectively.

Flour

The flour market continued dull with no immediate improvement anticipated. Trading was quiet during the week but prices remained unchanged because of heavy stocks and few buyers. Taiwan buyers were slow to come forward. Australian prices showed a downward tendency, AMB being sold for \$12.70/\$13.40 per bag of 50 lbs., Ostrich for \$14 and Queen for \$13.50 per bag.

Vegetable Oils, Ores & Other China Produce

The advance shown in Tungoil (Woodoil) a week ago continued until the price had risen to \$200 per picul for export quality and to \$188 per picul for two-weeks forward. At the close of the market, however, prices fell, export quality being offered at \$190 per picul and ordinary quality at

\$187.50 per picul. The USA buying offer remained at US 24 cents per lb. c. & f., and the European buying offer c.i.f. rose to £218 per ton. Sales on the Canton market were brisk. Teaseed oil, 4% acid was dull; the price rose to \$164 per picul but, with little buying interest shown at this rate, was obliged to come down to \$160 per picul. In face of a dull market, the price of Rapeseed Oil 4% acid, fell to \$123 per picul. Cassia Oil 85%, which for some weeks has been inactive showed considerable activity with buying interest from the USA; increased supplies from China gave the possibility of filling requirements. The price rose to \$1900 per picul, with the US offer at US \$240 per lb. Aniseed Oil 15%, was quiet and the price stood at \$920 per picul. Tunghing Copra Oil in drums fell to \$130 per picul with little buying interest displayed.

In the market for Ores, Antimony 99%, was offered at \$200 per picul, but buyers were not inclined to buy at this rate. Kwangsi Copper (Coin) Ingots showed a rise to \$140 per picul. China Pig Lead 99%, rose to \$125 per picul; a demand from China having encouraged local dealers to dispose of it notwithstanding the prohibition upon its export from the Colony. Tin Regulus 99% rose to \$830 per picul but at the close fell to \$820; Yunnan 99% rose to \$825 per picul and Singapore Marked Banker 99.75% was quoted at \$850 per picul. China Tin for soldering fetched \$365 for 50% quality and \$306.60 for 42%. China Wolfram 65% was offered at \$530 per picul.

The market for Cassia Lignea continued dull and the price remained at \$68 per picul for both the West River 84 and 60-catty packings. Cassia in bulk, however, was in demand and the price rose to \$58.50 per picul. The arrival of considerable supplies of Cassia scraped and unscraped brought down the price, both qualities being offered at \$90 per picul. Trading in Aniseed Star was brisk and prices showed an increase, Nanning 1st quality rising to \$125 and 2nd qual. to \$105 per picul, while the Tunghing product fetched \$115 per picul. Very few dealings took place in Gallnuts, and the Luichow product fell to \$131 per picul while Hankow 2nd qual. dropped to \$130 per picul. Szechuan Ramie was offered at \$145 per picul. East River Rosin fell to \$39.50 per picul.

The prices of Feathers continued to advance, with keen buying: Duck Feathers 85% fetched \$600 per picul with the US buying offer up to US 85 cents per lb., and Goose Feathers 85% were quoted at \$720 per picul with the US offer c. & f. at US 90 cents per lb.

The recently soaring prices of Hides on the local market came to a stop with the announcement that Japanese dealers, finding quotations too high, were withdrawing from the market. Prices at the close were as follows: Cattle hides 6 lb. light quality \$775 per picul, 10 lb. medium qual. \$628, 14 lb. heavy qual. \$539.25; Buffalo hides 40 lbs. up \$308.50 per picul, 30 lbs. up \$398, 20 lbs. up \$238.50 per picul.

FINANCIAL REPORTS

HONGKONG FREE EXCHANGE & GOLD MARKET

Review for the week Aug. 28—Sept. 2:

GOLD: Highest & lowest rates per .945 fine tael \$309—297, equiv. to .99 fine tael and oz rates of respectively \$323.71—\$311.14 and \$269.01—\$258.57. Crossrates US\$42 high, 40% low. Macao and Canton .99 fine tael prices respectively \$309—302 and \$307—301.

Highest & lowest gold (.945 fine tael) and TT New York rates:—
(August 30: Holiday).

	Gold		US\$	
	high	low	high	low
August				
28	\$306½	299¾	641¼	640½
29	306½	302½	641¼	640½
31	309	296¼	639	636½
September				
1	300½	297¼	637¼	636
2	298½	297	636½	635

During the week under review the gold market continued on the easy side with bulls yielding little ground. There were some exciting reports, one dealing with the US planes' strafing of Manchurian airfields, and another crackpot story of impending war between China and the US. Without rumours the market would be dead and there would be hardly any fluctuations. Technically the market is unsound with more imports still coming and the stocks here rising while at the same time local investment demand is practically nil and exports cannot be effected as long as the local crossrate is above world markets. Cif Macao offers range from US\$ 39½ to 40 but as the crossrate is currently 40¼ imports into Hongkong are no longer profitable. Local stocks of the ready-trading type have grown to over 280,000 taels. Macao stocks are around 150,000 taels (as held by native banks and gold dealers who wish to liquidate in order to engage in new business).

Forward interest totaled last week 74 cts. per tael, or an annual yield of 13%. Total forward contracts amounted to 295,000 taels (daily average 59,000 taels). Average daily position 187,000 taels. Cash bars turned over totaled 57,800 taels (of which 34,880 officially listed); of this total 48,000 changed hands between interest hedgers, 6800 acquired by exporters, 3000 melted down by goldsmiths. Imports totaled 28,500 taels, all from Macao, which upon arrival here (all being in .99 or higher fineness) are melted down and recast into .945 fine bars for which the Exchange provides certificates. Macao prices were around \$10 per tael lower and smuggling is thus encouraged.

Exports were consigned to Bangkok 3200 taels, Singapore 2000, India 1000, Indochina 600. (The absurdity of gold movements has been often noted; first, gold from, say, a European market is flown to Bangkok or Saigon in transit for Macao from where, under risks, it is carried into Hongkong; after a while this same gold, if prices and profits warrant, is shipped to Saigon or other places in Indochina and to Bangkok for local consumption there).

Differences paid for certified bars of .99 fineness, on top of the price for .945 fine bars, ranged from \$14.20—14.70 (uncertified bars \$10—10.20 premium). Dealers in South East Asia and India were no longer willing to accept delivery of bars without certificate of fineness.

US\$: Highest & lowest rates for US notes \$637—630½, for DD 639¼—633, for TT 641¼—635, crossrates US\$2.493—2.519.

As gold importers have been absent rates declined. There were good offerings of TT New York both from Bangkok merchants and recipients of overseas Chinese remittances. Merchant demand and Chinese Govt agent's purchases were restricted as a result of previous substantial buying of funds in New York. Business done: US\$1,150,000 (of which 620,000 in TT sector): Silver: Business is stagnant and prices unchanged. Rates per .99 fine tael \$4.74, per dollar coin \$2.97—3.02, per 20 cts. coins \$2.32—2.33. Turnover: 43,000 taels.

Bank notes: Rates per 100 currency units: Indochina 13—13.67, Thailand 27, Indonesia 3.30 (Nica notes); per one unit: Bank of England 15.47—15.63, Australia 12.10—13.11, Canada 5.67—5.67½, India 1.07—1.09½, Burma .81, Ceylon .93—95, Malaya 1.74¼—1.75½, Philippines 2.12—2.15½.

Chinese Exchange: Official rates unchanged. Local rates for bank notes \$1.95—2 per 10,000 Chinese yuan. Remittances were quoted here on Canton 97.30—99.30 (business done HK\$415,000), on Shanghai 92—93 for gold and 98—100 for US\$, on Taiwan 81—82½ for gold, 91½—93½ for US\$ (per 100 in China and Taiwan). Business volume very small. Black market rates in Shanghai: gold PB\$1.38 per oz. US\$ (note) PB\$34.500.

Tax Uncertainties on Singapore Stock Exchange

Malayan share markets had a disappointing week (21-26 August) in which the violent daily commodity fluctuations had no counterpart. If there was a feature, then it was the fairly large and sustained buying interest shown by London in sterling tins and rubbers, while Malayan dollar shares were largely neglected. This is attributed to persistent fears of increased income tax on Malayan Companies which would not affect their sterling contemporaries. That such apprehension has been justified was confirmed when in a press interview this week the Hon. Mr. Tan Chin Tuan said: "The Home Government should also refrain from interfering in our domestic affairs such as steps to further increase income tax in this country."

A fortnight ago it was stressed that uncertainty was the prime deterrent to any plan of investment and that many such schemes are suspended while it exists. No public pronouncement on the new rates is expected until operations are completed which are now proceeding "behind the scenes" to secure

the support of Legislative Councillors to the increased impositions. The danger is that a cut and dried schedule will be presented before there has been any opportunity for the public, particularly the commercial community, to voice its opposition. Memories are still keen of November 1947 when income tax was forced on the Colony despite the opposition of the Advisory Council and the sooner the fresh designs are brought into the open for public debate the sooner will suspicion be dispelled. Once the worst is known, markets will adjust themselves to a fresh burden and investors will make the best of a very bad business by cutting Malaya out of their portfolios or by holding on in hopes of wiser counsels prevailing in the end.

In the Industrial share market a number of stocks were a turn better over the week and, while total volume was not great, a few sizeable parcels went from overseas sellers to local investors. Hongkong Banks came in for averaging operations by existing holders at \$610, at which the prospective yield is about 7%, which must be regarded as highly attractive even today from an investment of this standing.

Support to the view that the mishandling of controlled stocks has been mainly responsible for the vagaries of the Tin market in recent weeks has been forthcoming from at least two overseas Metal trade journals and it would appear that violent fluctuations must continue so long as dealers are unable to reasonably acquire stocks as a basis for their operations. Rubber shares remain neglected; comment, however, has been favourable on several forward sales for early 1951 at from \$1.03 to \$1.12½ which are regarded as timely in view of expectations in rubber circles that the United States Government contemplates fixing a ceiling price for natural rubber for American consumption at a level well below the highest point reached this week.

In the Loan market a moderate off-take of Taxable issues took place when prices were cut to meet buyers' ideas. Among this class the preference for near maturities is most marked and is becoming increasingly evident in quotations. Fresh enquiries are being made for Australian industrial stocks particularly those likely to be affected by rearmament orders and by the likely dispersal of branches of strategic home industries in the Antipodes.

Prices during the week ended 26th August ranged within the following limits:

	Buyers (\$ M.)	Sellers (\$ M.)	% Yield based on last year's dividend
Malayan Union 3%, 1946	89.50	90.50	3.75
Alexandra Brick- works, Ltd.,	1.90	2.0	10
Consolidated Tin Smelters, Ltd., (sterling denomination)	18/9	17/6	9.1
Fraser & Neave, Ltd.,	2.90	2.95	7.1
Gammon (Malaya) Ltd.,	2.12½	2.17½	13.6
Henry Waugh & Co., Ltd.,	1.72½	1.77	13.9
H.K. & S. Banking Corporation	605	625	6.8

Malayan Breweries, Ltd.,	4.75	4.85	6.2
Malayan Collieries, Ltd.,	1.40	1.45	6.9
McAlister & Co., Ltd.,	37.50	38.50	6.5
Overseas Assurance Corp., Ltd.,	10.75	11.25	2.7
Oversea Chinese Banking Corp., Ltd.,	61.50	62.50	6.7
Raffles Hotel, Ltd.,	2.50	2.55	7.8
Singapore Cold Storage Co., Ltd.,	4.40	4.50	6.7
Singapore Traction Co., Ltd.,	13/-	14/-	—
(sterling denomination)			
Straits Steamship Co., Ltd.,	14.90	15.20	6.6
Union Insurance Society of Canton, Ltd.,	310	320	4.4
Wearne Brothers, Ltd.,	2.42½	2.47½	10.1

Hongkong Stock Exchange

Interest in Public Utilities was maintained, and further increases in prices recorded. H.K. Electrics are in demand, and prices improved during the week to the extent of the interim dividend of \$1.00. Shares are now quoted ex dividend.

Kwong Sang Hong, Ltd., announced an interim dividend of \$6.00 less Tax for 1950.

Business reported during the week \$550,520. (Business reported for 3rd Quarter 1949 \$15,395,064.)

Business done during the week (ending Sept. 2):—

	Closing price	Sales
H.K. Govt. 4% Loan	\$ 98	\$70,000
H.K. Bank	1160	24
Canton Insurance	230	18
Union Insurance	615	50
Wharves	70	100
China Providents	9.60	1,500
Shanghai Docks	2.85	300
Wheelock Marden	19¼	100
H.K. & S. Hotels	87	4,700
H.K. Lands	33½	477
Humphreys	7.70	1,200
H.K. Tramways	10¾	5,300
China Light (O)	9¾	2,865
do (N)	7	900
H.K. Electrics	20	7,152
Telephones	9¼	1,050
Cements	9½	2,000
Dairy Farms	9½	1,200
Dairy Farms Rts.	0.60	7,093
Watson	22½	1,800
Sinceres	3	552
Sun Co.	1.70	500
Vibro Piling	10	300
Ewo Cotton	2.60	2,700

Enquiries for Hongkong Products and for Exports to Hongkong

ENQUIRIES FOR HONGKONG PRODUCTS

Enquirer and Products required:—

Supplies Officer, Wellcome Research Laboratories, Langley Court, Beckenham, Kent. U.K. — Judo Mats.

Hongkong (Wholesale) Commercial Co., 1, Alagbade Street, Lagos, Nigeria. — Torch Cases, Camphor Tablets, Leather & Plastic Belts, Watch Bands, Vacuum Flasks, Bulbs, Shirts, Stoves. H.K. Products generally.

R. H. Ganl, 574/1 Rampart Road, Karachi, Pakistan. — Textiles, Spices, Matches, Twine.

Kassamally Trading Co., Oriental Chambers, South Napier Road, Karachi. Bankers: Mercantile Bank of India. — Cassia, Matches, Textiles, Cotton Yarn.

Dayalji and Co., 61, Lobengula St., Bulawayo, S. Rhodesia. — Cotton Piece Goods. Rayon and Woollen Piece Goods. Cotton & Woollen Blankets, Rugs, Textiles, Clothing and Hosiery.

Ghani Trading Co., 38, Agoshofin St., Lagos, Nigeria. — Cutlery, Lanterns, Enamelware, Earthenware, Aluminiumware, Hardware, Clocks and Watches. Watch straps. Bamboo ware, Cotton goods, Plastic goods, Umbrellas, Glassware, Tools.

Thin Brothers Commercial Agency, 203/205, Mogul St., Rangoon. — Textiles. Tinned Provisions and Oilman Stores. Foodstuffs, Toilet & Perfumery Goods, Medicines.

Nordisk Krydderi, Skt. Annæ Plads 26, Copenhagen. Bankers: Copenhagen Handelsbank, Bredgade 77, Copenhagen. — Spices, Cassia Lignea, Camphor, Menthol, Peppermint Oil, Agar Agar.

Bimex and Co., 43, Forbes St., Fort. Bombay, Bankers: Chartered Bank of India Australia & China. — Essential Oils, Sewing Needles.

Hafiz Bros., 33, Swari Ghat, Dacca, E. Pakistan. — Rubber and Canvas shoes.

J. F. Boswell & Co., 32, Tottenham Court Rd., London W.1. — Piece Goods.

Joseph de la Cruz, British Post Office, O'Donnell 21, Tetuan, Morocco. — Yarns, Rayons and Rubber footwear.

F. Perrin & Co. Ltd., 6, Cottons Gardens, London E.2. — Table Tennis Balls.

Desser & Co., Ltd., 29, Lyon St., Oldham Road, Manchester 10, U.K. — Straw Bags, Straw and Seagrass Mats.

Telemague Sarandopoulos, P. O. Box 170, Rhodes, Dodecanese. — Textiles.

Alfred Wolter, Lerchenfeld 3, Hamburg 24, Germany. — Human Hair Nets.

Harold Clarke Esq., 76, Park Road, London N.W.1. — Rubber Boots.

Patterson, Simons & Co., (West Africa) Ltd., London House, Crutched Friars, London E.C.3. — Enamelware.

Smallware Manufacturing Co., Ltd., 31, Holland Park, London W.1. — Trocas Buttons. Oakland Metal Co., 94, New Bond Street, London W.1. — Scrap Metals.

H. I. Duncan Ltd., Shoe Manufacturers Agent, 8, Homer Arcade, Vancouver, B.C. — Has seen photos of Hongkong made shoes and considers Canada good market. Requests photos & quotations.

ENQUIRIES FOR EXPORTS TO HONGKONG

Enquirer and Products:—

Langley London Ltd., 72, Borough High St., London S.E.1. — Building Materials.

Corta Ltd., 180/182, Albion Road, Stoke Newington, London N.16. — Floorboarding.

A. O. Exporters Ltd., 94, New Bond St., London W.1. — Collar attached shirts.

R. Johnson Ltd., 1, Metal Exchange Bldgs., Wittington Avenue, London E.C.3. — Petrol driven electric generating sets.

Economic Exports Ltd., 2, Angel Court, Throgmorton St., London E.C.2. — Agents for their cotton woollen textiles, general hardware and miscellaneous goods.

South Motors Ltd., P. O. Box 425, Kuala Lumpur, Malaya. — Wish to appoint agent for their Chain Link Fencing Netting and Crimped Wire Mesh. Samples and prices available at C. & I. Dept.

Sheonath Prasad Jaiswal & Sons, New Bazaar, Bhadohi, United Province, India. — Hand made rugs and carpets.

Dept. of Commercial Intelligence, Statistics, Karachi, Pakistan. — New publication "Pakistan Trade." Annual Subscription Rupees 15/-.

Raid Gadelkarim, Salah el Din Street, Port Said, Egypt. — Onions, Potatoes, Lentils, Chickpeas, Wheatbran, Barley, Oranges.

Rakbladsfabriken Sollex Jonkopings, Sweden. — Swedish Razor Blades.

HONGKONG IMPORTS & EXPORTS OF SELECTED COMMODITIES

FOR THE MONTH OF JULY, 1950

Wolfram Ore

Countries	Imports		Exports	
	Quantity Piculs	Value \$	Quantity Piculs	Value \$
Macao	17	3,400	—	—
Total	17	3,400	—	—
Antimony				
Malaya	—	—	8	1,511
Thailand	—	—	21	3,790
Total	—	—	29	5,301

Tin ingots of Chinese origin

India	—	—	84	61,488
China, Middle	—	—	40	23,920
Total	—	—	124	85,408

Tin ingots, not elsewhere stated

United Kingdom ..	30	17,429	—	—
Malaya	101	59,630	—	—
Total	131	77,059	—	—

Tin-plates

United Kingdom ..	6,686	616,549	—	—
China, North	—	—	4,837	521,295
" Middle	—	—	2,020	116,840
" South	—	—	151	16,000
Macao	29	1,150	—	—
U. S. A.	7,908	318,046	—	—
Total	14,623	927,745	7,008	654,139

Aniseed oil

	Piculs	\$	Piculs	\$
United Kingdom ..	—	—	276	183,179
Australia	—	—	6	4,316
New Zealand	—	—	3	2,142
Belgium	—	—	6	4,106
China, South	397	298,452	—	—
Denmark	—	—	6	4,095
France	—	—	89	60,291
French Indochina ..	52	33,452	—	—
Germany	—	—	16	9,923
Holland	—	—	6	4,253
Italy	—	—	9	6,710
Macao	7	4,080	—	—
Switzerland	—	—	9	6,482
U. S. A.	—	—	128	96,470
Total	456	335,984	554	381,967

Soya bean oil

Australia	—	—	420	42,840
China, North	885	94,500	—	—
" South	4,521	383,621	—	—
Italy	—	—	3,125	315,456
Total	5,406	478,121	3,545	358,296

Cassia oil

Countries	Imports		Exports	
	Quantity Piculs	Value \$	Quantity Piculs	Value \$
United Kingdom ..	—	—	16	22,400
India	—	—	2	1,651
Malaya	7	1,500	9	14,100
Belgium	—	—	3	4,317
China, Middle	—	—	1	425
" South	79	80,895	—	—
France	—	—	3	4,680
Japan	—	—	6	9,894
Macao	31	46,184	—	—
U. S. A.	—	—	79	115,725
Total	117	128,579	119	173,192

Coco-nut (copra) oil, refined

Malaya	5,987	607,972	—	—
North Borneo	21	2,310	—	—
China, North	—	—	1,960	226,402
" Middle	—	—	4,807	476,462
" South	—	—	3,363	370,090
Macao	—	—	638	65,700
Thailand	795	87,450	—	—
Total	6,803	697,732	10,768	1,138,654

Linseed oil

United Kingdom ..	85	11,063	—	—
India	60	9,878	—	—
China, North	82	9,450	—	—
Macao	—	—	16	2,638
Total	227	30,391	16	2,638

Groundnut (peanut) oil

Australia	—	—	128	16,910
Malaya	5,169	671,166	1,115	125,501
North Borneo	—	—	6	819
Belgium	—	—	18,535	2,129,494
China, North	4,436	521,382	—	—
" Middle	189	31,380	63	7,565
" South	1,675	147,400	—	—
Holland	—	—	3,528	482,413
Japan	—	—	20	2,770
Macao	15	2,106	1,471	191,761
U. S. of Indonesia ..	24	2,640	—	—
Thailand	3,697	521,122	—	—
Total	15,205	1,897,196	24,866	2,957,233

Sesamum oil

Australia	—	—	4	498
Canada	—	—	16	3,030
Malaya	—	—	132	25,946
New Zealand	—	—	3	609
North Borneo	—	—	1	155
West Indies	—	—	2	464
China, North	125	21,860	—	—
" Middle	16	3,200	—	—
Central America ..	—	—	2	209
Denmark	—	—	134	16,128
Macao	—	—	16	2,445
Philippines	—	—	3	400
South America	—	—	1	130
U. S. A.	—	—	98	23,342
Total	141	25,060	412	73,356

and funeral ceremony. They burn incense and observe other daily habits which are mostly of Chinese origin. They sprinkle rosin in their houses every Friday according to the style of the Malays and Mohammedans. On the whole, they observe the occidental culture out-doors; Hindu and Arabic culture in-doors. Basically, their customs and habits are however Chinese.

B. The Chinese Immigrants

Superficially, the Chinese immigrants are all alike, but in fact they are of five classes, namely (a) the Hakah Group (b) the Fukien Group, (c) the Swatow and Chaochow Group, (d) the Cantonese Group, (e) the Hainan Group. Outside of the above mentioned five major groups there are five minor groups: namely, the Fuchow, Kwangsi, Samkong, Fookching and Hing Hwa groups. The reason for their differences lie fundamentally in the difference among the dialects they speak and the localisms observed. Hence, there is little co-operation and unity among the Chinese, which can be done only through education. They must be taught patriotism, nationalism, unity, and co-operation. As it is, each different group has its own separate educational system using only their own dialect. It was therefore deemed necessary to have a unified educational system using Mandarin; as most schools were closed during the Pacific war, there arose an opportunity for reopening schools under a unified educational system when Malaya returned to British rule.

Unity is lacking also in the Chinese economic undertakings. In the past the Oversea Chinese did business by basing it entirely on their own experience. Individualism prevailed. Instead of individualism, they now show a trend to co-operate. Business is being done more through knowledge instead of experience only.

HONGKONG'S PRINCIPAL TRADING PARTNERS FOR MAY 1950

In May 1950 Hongkong's total trade in merchandise (dealt with in the *Far Eastern Economic Review* No. 26 of June 29, pp. 826 & 843) amounted to HK\$564 million, imports totalling \$298 m. and exports \$266 m., according to figures issued by the H.K. Department of Commerce and Industry. The comparative figures for April were respectively \$476 m., \$247 m. and \$229 m.

The tables published in this issue give details of the trade of the principal countries having dealings with Hongkong, while below certain aspects of this trade are touched upon in comparison with the April figures.

Throughout, imports refer to imports into Hongkong and exports to goods despatched from the Colony. Values are in Hongkong dollars (HK\$ equals 1s. 3d. or US 17½ cents).

United Kingdom

Imports	\$36.39 m. (Apr. \$35.47 m.)
Exports	\$25.68 m. (\$17.25 m.)
Import Excess	\$10.17 m. (\$18.22 m.)

Imports, main increases: rubber & manufactures thereof \$1.22 m. (April \$1.02 m.), iron & steel \$3.51 m. (\$2.97 m.), textile fabrics \$5.13 m. (\$4.55 m.), non-ferrous base metals \$2.05 m. (\$1.21 m.), electrical machinery, apparatus & appliances \$3.26 m. (\$2.67 m.), vehicles & transport equipment \$3.39 m. (\$2.4 m.); main decreases: sugar & sugar confectionery \$485,000 (April \$1.35 m.), chemical elements & compounds and pharmaceutical products \$2.79 m. (\$3.01 m.), dyeing & tanning substances \$1.03 m. (\$1.31 m.), yarns & threads \$1.71 m. (\$2.39 m.). Exports, main increases: vegetable oils \$9.31 m. (\$5.48 m.), clothing & underwear of textile materials \$7.61 m. (\$6.39 m.), miscellaneous crude or simply prepared products \$1.49 m. (\$1.18 m.). Silver exports from Hongkong during May to the U.K. were valued at \$3.72 m. as against \$464,600 in April.

Central China

Imports	\$ 5.07 m. (\$ 4.76 m.)
Exports	\$24.55 m. (\$34.39 m.)
Export Excess	\$19.48 m. (\$29.63 m.)

Import increases: textile fabrics & small wares \$871,000 (\$527,600), paper \$450,500 (\$315,000), chemicals \$304,900 (\$91,000); decreases: fruits & nuts \$279,000 (\$120,000); special & technical textile articles \$276,900 (\$132,600). Export increases: tobacco \$2.4 m. (\$279,400), oilseeds, nuts & kernels \$800,000 (\$409,000), dyes \$562,500 (\$432,000); decreases: vegetable oils \$322,000 (\$1.66 m.), fertilizers \$1.95 m. (\$4.58 m.), manufactured products of cereals \$4.97 m. (\$5.9 m.), vegetables \$1.15 m. (\$1.34 m.), feeding stuffs for animals \$1.92 m. (\$3.8 m.), rubber \$107,000 (\$356,000), chemicals \$1.23 m. (\$1.5 m.), paper \$589,000 (\$850,900), textile fabrics & small wares \$2.53 m.

(\$3.22 m.), footwear \$590,900 (\$1 m.), products for heating, lighting & power \$475,000 (\$772,000), machinery \$158,500 (\$732,000), vehicles \$454,000 (\$740,000). Silver exports amounted to \$4.17 m. (Nil).

North China

Imports	\$44.31 m. (\$26.28 m.)
Exports	\$41.73 m. (\$36.61 m.)
Import Excess	\$ 2.58 m.
Export Excess	... (\$10.33 m.)

Import increases: Dairy products \$2.01 m. (\$1.11 m.), oilseeds \$4.28 m. (\$3.06 m.), textile fabrics & small wares \$1.69 m. (\$1.57 m.), miscellaneous crude or simply prepared products \$24.26 m. (\$2.41 m.); decreases: vegetables \$1.89 m. (\$3.34 m.), vegetable oils \$3.48 m. (\$4.17 m.), chemicals \$395,000 (\$2.07 m.), textile materials, raw or simply prepared \$1.11 m. (\$2.45 m.), products for heating & lighting \$638,000 (\$1.46 m.). Export increases: textile materials, raw or simply prepared \$23.87 m. (\$13.61 m.), non-ferrous base metals \$1.87 m. (\$277,500), machinery \$1.17 m. (\$312,600); decreases: chemicals \$1.85 m. (\$2.19 m.), rubber \$1.17 m. (\$312,600); decreases: chemicals \$1.85 m. (\$2.19 m.), rubber \$1.17 m. (\$1.76 m.), paper \$345,000 (\$2.86 m.), made-up articles of textile materials other than clothing \$4.06 m. (\$4.42 m.), products for heating & lighting \$3.97 m. (\$5.8 m.), iron & steel \$2.17 m. (\$1.08 m.).

South China

Imports	\$31.50 m. (\$18.06 m.)
Exports	\$10.10 m. (\$12.55 m.)
Import Excess	\$21.40 m. (\$ 5.51 m.)

Import increases: vegetable oils \$20.77 m. (\$11 m.), miscellaneous crude or simply prepared products \$2.22 m. (\$758,800); decrease: Live animals \$3.98 m. (\$4.52 m.). Export increases: products for heating & lighting \$7.9 m. (\$1.94 m.), machinery \$657,000 (\$185,000); decreases: manufactured products of cereals \$943,700 (\$2.05 m.), textile materials, raw or simply prepared \$53,000 (\$1.57 m.).

Imports of silver from South China were valued at \$11,900 (\$3.92 m.).

Macao

Imports	\$ 8.14 m. (\$ 7.25 m.)
Exports	\$18.01 m. (\$18.36 m.)
Export Excess	\$ 9.87 m. (\$11.11 m.)

Import increases: Manufactured articles n.e.s. \$1.76 m. (\$1.64 m.), miscellaneous crude or simply prepared products \$907,900 (\$600,000), wood \$822,800 (\$556,000); decreases: vegetables \$848,000 (\$1.13 m.), paper \$146,600 (\$297,000). Export increases: chemicals \$1.01 m. (\$988,600), fertilizers \$661,400 (\$470,000), textile fabrics & small wares \$1.96 m. (\$1.28 m.); decreases: fishery products \$765,500 (\$1.22 m.), manufactured products \$663,000 (\$1.15 m.), tobacco \$743,000

(\$1.13 m.), paper \$617,000 (\$911,600), products for heating & lighting \$702,000 (\$1.25 m.), electrical machinery \$358,000 (\$1.11 m.).

Malaya

Imports \$ 5.84 m. (\$ 5.65 m.)
Exports \$30.56 m. (\$24.55 m.)
Export Excess \$24.72 m. (\$18.90 m.)

Import increase: wood \$1.46 m. (\$601,000); decrease: rubber \$860,000 (\$1.07 m.), textile fabrics & small wares \$699,000 (\$983,700), non-ferrous base metals \$132,000 (\$473,500). Export increases: fishery products \$1.57 m. (\$908,000), feeding stuffs for animals \$1.01 m. (\$235,000), chemicals \$1.14 m. (\$612,500), paper \$2.16 m. (\$1.71 m.), textile fabrics & small wares \$4.49 m. (\$2.97 m.), clothing & underwear \$2.38 m. (\$1.86 m.), manufactured articles n.e.s. \$4.86 m. (\$4.61 m.); decreases: vegetables \$2.28 m. (\$2.51 m.), rubber & manufactures thereof \$128,000 (\$628,700).

India

Imports \$10.18 m. (\$ 9.40 m.)
Exports \$ 1.27 m. (\$ 0.79 m.)
Import Excess \$ 8.91 m. (\$ 8.61 m.)

Import increases: textile materials, raw or simply prepared \$1.48 m. (\$12,600), special & technical textile articles \$1.02 m. (\$161,000), made-up articles of textile materials \$1.18 m. (\$734,000), products for heating and lighting \$1.33 m. (\$447,000); decreases: yarns & threads \$1.75 m. (\$2.84 m.), textile fabrics & small wares \$2.79 m. (\$3.96 m.). Export increase: manufactures of base metals \$320,000 (\$262,000), manufactured articles n.e.s. \$110,000 (\$4,000).

Pakistan

Imports \$ 3.97 m. (\$ 8.38 m.)
Exports \$ 6.00 m. (\$ 1.79 m.)
Export Excess \$ 2.03 m.
Import Excess ... (\$ 6.59 m.)

Import decrease: textile materials, raw or simply prepared \$3.96 m. (\$8.35 m.). Export increases: yarns & threads \$3.71 m. (\$1.19 m.), special & technical textile articles \$1.11 m. (\$280,600), manufactured articles n.e.s. \$592,600 (\$5,000).

Japan

Imports \$ 5.03 m. (\$ 7.42 m.)
Exports \$ 7.67 m. (\$11.08 m.)
Export Excess \$ 2.64 m. (\$ 3.66 m.)

Import increase: non-ferrous base metals \$411,500 (\$201,000); decreases: pottery and other clay products \$126,000 (\$1.18 m.), textile fabrics and small wares \$1.99 m. (\$2.43 m.). Export increases: oilseeds, nuts and kernels \$1.33 m. (\$1.72 m.), textile materials, raw or simply prepared \$2.30 m. (\$643,900), miscellaneous crude or simply prepared products \$800,900 (\$273,700). Decreases: cereals, nil (\$3.84 m.), vegetables, roots and tubers \$2,800 (\$1.55 m.).

North Korea

Imports \$ 1.68 m. (\$ 2.56 m.)
Exports \$ 2.80 m. (Nil)
Export Excess \$ 1.12 m.
Import Excess ... (\$ 2.56 m.)

Import decreases: feeding stuffs for animals \$600,000 (\$1.03 m.), fertilizers \$397,500 (\$824,000). Export increases: machinery apparatus \$1.43 m. (nil), manufactures of base metals \$459,500 (nil), rubber \$308,000 (nil).

South Korea

Imports \$ 2.97 m. (\$ 2.54 m.)
Exports \$ 4.83 m. (\$ 2.77 m.)
Export Excess \$ 1.86 m. (\$ 0.23 m.)

Import decreases: fishery products \$1.27 m. (\$1.46 m.), vegetables \$722,000 (\$503,000). Export increases: vegetables \$35,000 (\$4,900), sugar and sugar confectionery \$283,000 (\$75,000), chemicals \$1.37 m. (\$597,000), yarns and threads \$370,000 (\$597,000); decreases: paper \$1.17 m. (\$1.22 m.).

Thailand

Imports \$15.69 m. (\$17.12 m.)
Exports \$ 5.18 m. (\$ 7.38 m.)
Import Excess \$10.51 m. (\$ 9.74 m.)

Import increases: cereals \$12.03 m. (\$11.7 m.), wood \$1.17 m. (\$942,700); decreases: hides, skins and leather \$438,800 (\$776,800). Export decreases: chemicals and pharmaceuticals \$575,000 (\$808,500), yarns and threads, \$918,500 (\$1.23 m.), made-up articles of textile materials \$247,700 (\$1.44 m.).

Philippines

Imports \$ 1.93 m. (\$871,000)
Exports \$ 9.79 m. (\$ 5.85 m.)
Export Excess \$ 7.86 m. (\$ 4.98 m.)

Import increases: iron and steel \$800,000 (nil), fruits and nuts \$373,700 (\$248,000). Export increases: dairy products \$1.10 m. (\$643,000), chemicals \$750,500 (\$363,600), paper \$533,880 (\$183,500), textile fabrics and small wares \$1.29 m. (\$880,600), manufactures of base metals \$1.38 m. (\$964,000), tobacco \$882,000 (\$74), vegetable roots and tubers \$865,900 (\$557,000).

U.S.A.

Imports \$69.53 m. (\$42.88 m.)
Exports \$29.16 m. (\$14.53 m.)
Import Excess \$40.37 m. (\$28.35 m.)

Import increases: fruits & nuts \$3.07 m. (\$2.2 m.), tobacco \$9.23 m. (\$1.85 m.), chemicals \$7.12 m. (\$3.81 m.), perfumery, cosmetics, etc. \$1.45 m. (\$920,000), textile materials, raw or simply prepared \$11.34 m. (\$4.61 m.), textile fabrics & small wares \$5.62 m. (\$3.84 m.), clothing & underwear of textile materials \$1.75 m. (\$1.12 m.), products for heating, etc. \$1.72 m. (\$1.48 m.),

iron & steel \$1.79 m. (\$1.09 m.), manufactures of base metals \$2.14 m. (\$1.53 m.), machinery, etc. \$3.83 m. (\$2.52 m.), manufactured articles n.e.s. \$4.7 m. (\$3.07 m.); decreases: dyes \$2.25 m. (\$3.49 m.), paper \$1.68 m. (\$1.88 m.), vehicles & transport equipment \$1.41 m. (\$1.68 m.). Export increases: vegetable oils \$4.66 m. (\$3.39 m.), miscel. crude or simply prepared products \$14.93 m. (\$3.59 m.), manufactured articles n.e.s. \$2.41 m. (\$2.09 m.); decrease: textile fabrics & small wares \$1.07 m. (\$1.26 m.). Exports of silver to the USA totalled \$2.36 m. (\$6,000).

U.S. Indonesia

Imports \$ 5.03 m. (\$ 6.14 m.)
Exports \$11.53 m. (\$13.42 m.)
Export Excess \$ 6.50 m. (\$ 7.28 m.)

Import increase: rubber \$498,800 (\$54,700); decrease: products for heating, etc. \$3.22 m. (\$4.89 m.). Export increase: paper \$1.5 m. (\$262,000); decrease: yarns & threads \$11.06 m. (\$7.67 m.).

Other Countries

Details of trade with some of the countries not included in the tables on the following pages are given below:

CZECHOSLOVAKIA: Imports \$1.03 m. (\$1.11 m.); exports: nil (\$48 m.). Main imports: paper \$458,900 (\$471,500).

GERMANY: Imports \$3.49 m. (\$2.73 m.); exports \$2.8 m. (\$2.9 m.). Main imports: dyeing substances \$1.8 m. (\$516,000), manufactures of base metals \$617,000 (\$334,000). Main exports: miscellaneous crude or simply prepared products \$1.30 m. (\$1.36 m.), animal and vegetable oils \$813,000 (\$1.36 m.).

NETHERLANDS: Imports \$4.78 m. (\$3.33 m.); exports: \$11.07 m. (\$1.65 m.). Main imports: dairy products \$2.13 m. (\$736,000), iron and steel \$368,800 (\$99,000). Main exports: oilseeds, nuts and kernels \$4.02 m. (\$537,600), vegetable oils \$3.89 m. (\$363,000), feeding stuffs for animals \$1.91 m. (nil).

NORWAY: Imports \$2.23 m. (\$3.99 m.); exports \$601,000 (\$633,600). Main imports: paper \$2.19 m. (\$3.18 m.). Main exports: vegetable oils \$453,000 (\$437,000).

SWEDEN: Imports \$3.10 m. (\$3.07 m.); exports \$388,000 (\$641,600). Main imports: paper \$2.06 m. (\$1.62 m.). Main exports: textile fabrics and small wares \$143,500 (\$93,000).

SWITZERLAND: Imports \$5.18 m. (\$4.03 m.); exports \$620,000 (\$70,000). Main imports: chemicals and pharmaceuticals \$410,800 (\$78,000). Main exports: oilseeds, nuts and kernels \$582,000 (nil).

HONGKONG'S PRINCIPAL TRADING PARTNERS

TOTAL VALUES OF IMPORTS & EXPORTS BY COUNTRIES FOR THE MONTH OF MAY, 1950

UNITED KINGDOM			INDIA		
ARTICLES	Imports \$	Exports \$	ARTICLES	Imports \$	Exports \$
Meat and preparations thereof	46,875	—	Fishery products, for food	9,000	2,169
Dairy products, eggs and honey ...	95,784	—	Manufactured products of cereals, chiefly for human food	—	1,780
Fishery products, for food	23,532	800	Fruits and nuts, except oil-nuts ...	31,500	3,010
Manufactured products of cereals, chiefly for human food	137,515	—	Vegetables, roots and tubers, chiefly used for human food and their preparations, n.e.s.	63	7,292
Fruits and nuts, except oil-nuts ...	51,712	52,500	Sugar and sugar confectionery	—	510
Vegetables, roots and tubers, chiefly used for human food and their preparations, n.e.s.	40,863	197,245	Coffee, tea, cocoa and preparations thereof; spices	10,881	—
Sugar and sugar confectionery	485,072	—	Tobacco	288,990	—
Coffee, tea, cocoa and preparations thereof; spices	136,413	619,704	Oil-seeds, nuts and kernels	—	300
Beverages and vinegars	477,517	690	Animal & vegetable oils, fats, greases and waxes & their manufactures, n.e.s.	37,156	5,157
Feeding stuffs for animals, n.e.s. .	3,846	162,356	Chemical elements and compounds; pharmaceutical products	—	71,241
Tobacco	1,520,802	—	Dyeing, tanning and colouring sub- stances (not including crude materials)	128,403	—
Oil-seeds, nuts and kernels	—	531,500	Essential oils, perfumery, cosmetics, soaps and related products	—	250
Animal & vegetable oils, fats, greases and waxes & their manufactures, n.e.s.	9,100	9,315,033	Rubber and manufactures thereof, n.e.s.	4,630	—
Chemical elements and compounds; pharmaceutical products	2,794,300	384,304	Wood, cork & manufactures thereof Pulp, paper and cardboard and manu- factures thereof	10,296	—
Dyeing, tanning and colouring sub- stances (not including crude materials)	1,032,734	130,289	Hides and skins and leather	18,952	1,490
Essential oils, perfumery, cosmetics, soaps and related products	278,721	361,978	Furs, not made up	214	—
Fertilizers	13,387	—	Textile materials, raw or simply prepared	1,481,959	364,034
Rubber and manufactures thereof, n.e.s.	1,223,130	—	Yarns and thread	1,750,105	—
Wood, cork & manufactures thereof Pulp, paper and cardboard and manu- factures thereof	143,394	15,159	Textile fabrics and small wares ...	2,796,746	—
Hides and skins and leather	730,489	15,501	Special and technical textile articles	1,025,465	—
Manufactures of leather, not includ- ing articles of clothing	168,332	328,060	Clothing and underwear of textile materials; hats of all materials ..	2,000	—
Textile materials, raw or simply prepared	22,618	—	Footwear, boots, shoes and slippers	1,183	—
Yarns and thread	591,666	423,473	Made-up articles of textile materials other than clothing	1,180,405	—
Textile fabrics and small wares ...	1,705,127	—	Products for heating, lighting and power, lubricants and related pro- ducts	1,328,611	—
Special and technical textile articles	5,128,424	622,641	Non-metallic minerals, crude or sim- ply prepared, n.e.s.	19,705	—
Clothing and underwear of textile materials; hats of all materials ..	283,859	—	Pottery and other clay products ...	—	2,970
Clothing of leather and fur	420,392	7,607,401	Glass and glassware	—	78,000
Footwear, boots, shoes and slippers	400	1,353,511	Precious metals and precious stones, pearls and articles made of these materials	12,000	—
Made-up articles of textile materials other than clothing	58,588	730,984	Non-ferrous base metals	—	176,453
Products for heating, lighting and power, lubricants and related pro- ducts	176,404	—	Manufactures of base metals, n.e.s. .	2,345	320,270
Non-metallic minerals, crude or sim- ply prepared, n.e.s.	257,747	—	Machinery, apparatus and appliances other than electrical, n.e.s.	—	12,300
Pottery and other clay products ...	144,657	3,100	Electrical machinery, apparatus and appliances	—	87,557
Glass and glassware	492,604	150	Miscellaneous crude or simply pre- pared products, n.e.s.	36,611	29,160
Manufactures of non-metallic mine- rals, n.e.s.	114,013	—	Manufactured articles, n.e.s.	7,982	110,080
Precious metals and precious stones, pearls and articles made of these materials	252,462	—	Total	10,185,202	1,274,023
Ores, slag, cinder	62,431	28,000			
Iron and steel	—	261,976			
Non-ferrous base metals	3,508,855	—			
Manufactures of base metals n.e.s. .	2,052,658	—			
Machinery, apparatus and appliances other than electrical, n.e.s.	2,019,302	204,276			
Electrical machinery, apparatus and appliances	2,394,523	1,500			
Vehicles & transport equipment, n.e.s.	3,260,658	210,522			
Miscellaneous crude or simply pre- pared products, n.e.s.	3,393,236	22,000			
Manufactured articles, n.e.s.	91,758	1,492,436			
Total Merchandise	542,394	600,282			
Gold and specie	36,388,288	25,677,371			
Grand Total	—	3,718,007			
	36,388,288	29,395,378			

MALAYA

ARTICLES	Imports \$	Exports \$
Meat and preparations thereof	11,844	12,248
Dairy products, eggs and honey ...	28,095	804,465
Fishery products, for food	188,393	1,571,238
Cereals	—	2,142
Manufactured products of cereals, chiefly for human food	27,400	123,661
Fruits and nuts, except oil-nuts ...	127,205	1,036,805

Vegetables, roots and tubers, chiefly used for human food and their preparations, n.e.s.	99,415	2,279,253
Sugar and sugar confectionery	2,020	321,384
Coffee, tea, cocoa and preparations thereof; spices	279,670	556,949
Beverages and vinegars	34,431	296,651
Feeding stuffs for animals, n.e.s. ..	—	1,008,008
Tobacco	—	653,845
Oil-seeds, nuts and kernels	1,200	214,895
Animal & vegetable oils, fats, greases and waxes & their manufactures, n.e.s.	145,342	307,676
Chemical elements and compounds; pharmaceutical products	53,492	1,137,238
Dyeing, tanning and colouring substances (not including crude materials)	48,330	558,929
Essential oils, perfumery, cosmetics, soaps and related products	262,228	308,875
Rubber and manufactures thereof, n.e.s.	860,428	128,189
Wood, cork & manufactures thereof	1,458,140	83,490
Pulp, paper and cardboard and manufactures thereof	10,351	2,155,569
Hides and skins and leather	98,713	4,700
Manufactures of leather, not including articles of clothing	—	298,022
Textile materials, raw or simply prepared	—	974
Yarns and threads	—	228,625
Textile fabrics and small wares	699,872	4,492,887
Special and technical textile articles	50,530	589,265
Clothing and underwear of textile materials; hats of all materials ..	17,570	2,376,239
Footwear, boots, shoes and slippers	1,935	17,160
Made-up articles of textile materials other than clothing	85	401,122
Products for heating, lighting and power, lubricants and related products	25,823	27,352
Non-metallic minerals, crude or simply prepared, n.e.s.	152,090	82,465
Pottery and other clay products	—	61,182
Glass and glassware	208,175	181,574
Manufactures of non-metallic minerals, n.e.s.	750	36,469
Precious metals and precious stones, pearls and articles made of these materials	—	126,932
Ores, slag, cinder	—	4,962
Iron and steel	42,680	70
Non-ferrous base metals	132,405	13,878
Manufactures of base metals, n.e.s. ..	97,688	1,135,054
Machinery, apparatus and appliances other than electrical, n.e.s.	23,819	235,969
Electrical machinery, apparatus and appliances	46,340	349,224
Vehicles & transport equipment, n.e.s.	228,541	62,552
Miscellaneous crude or simply prepared products, n.e.s.	273,046	1,419,036
Manufactured articles, n.e.s.	106,128	4,855,890
Total	5,844,224	30,563,113

NORTH BORNEO

ARTICLES	Imports \$	Exports \$
Dairy products, eggs and honey	—	3,870
Fishery products, for food	59,230	16,609
Manufactured products of cereals, chiefly for human food	—	13,632
Fruits and nuts, except oil-nuts	55,130	33,382
Vegetables, roots and tubers, chiefly used for human food and their preparations, n.e.s.	41,823	52,558
Sugar and sugar confectionery	—	24,345
Coffee, tea, cocoa and preparations thereof; spices	—	11,232
Beverages and vinegars	—	85,591
Feeding stuffs for animals, n.e.s. ..	—	124

Tobacco	—	345,885
Oil-seeds, nuts and kernels	—	2,900
Animal & vegetable oils, fats, greases and waxes & their manufactures, n.e.s.	7,750	7,423
Chemical elements and compounds; pharmaceutical products	—	5,782
Dyeing, tanning and colouring substances (not including crude materials)	—	4,681
Essential oils, perfumery, cosmetics, soaps and related products	—	9,436
Rubber and manufactures thereof, n.e.s.	68,000	—
Wood, cork & manufactures thereof	617,565	6,903
Pulp, paper and cardboard and manufactures thereof	—	37,013
Hides and skins and leather	—	195
Manufactures of leather, not including articles of clothing	—	42,043
Textile materials, raw or simply prepared	—	490
Yarns and threads	—	17
Textile fabrics and small wares	—	152,640
Special and technical textile articles	—	276
Clothing and underwear of textile materials; hats of all materials ..	—	72,268
Footwear, boots, shoes and slippers	—	20,153
Made-up articles of textile materials other than clothing	—	17,259
Products for heating, lighting and power, lubricants and related products, n.e.s.	160,956	2,046
Non-metallic minerals, crude or simply prepared, n.e.s.	—	9,812
Pottery and other clay products	—	1,318
Glass and glassware	—	17,294
Manufactures of non-metallic minerals, n.e.s.	—	2,326
Iron and steel	—	5,188
Non-ferrous base metals	—	1,659
Manufactures of base metals, n.e.s. ..	—	65,041
Machinery, apparatus and appliances n.e.s. other than electrical	500	1,093
Electrical machinery, apparatus and appliances	—	5,900
Vehicles & transport equipment, n.e.s.	—	12,550
Miscellaneous crude or simply prepared products, n.e.s.	31,884	21,507
Manufactured articles, n.e.s.	8,580	38,437
Total	1,051,418	1,150,878

PAKISTAN

ARTICLES	Imports \$	Exports, \$
Fishery products, for food	5,000	—
Chemical elements and compounds; pharmaceutical products	—	35,399
Dyeing, tanning and colouring substances (not including crude materials)	—	6,983
Pulp, paper and cardboard and manufactures thereof	—	198,912
Textile materials, raw or simply prepared	3,964,318	—
Yarns and threads	—	3,714,169
Textile fabrics and small wares	—	157,707
Special and technical textile articles	—	1,111,316
Clothing and underwear of textile materials; hats of all materials ..	—	4,304
Manufactures of base metals, n.e.s. ..	—	93,035
Electrical machinery, apparatus and appliances	—	13,357
Vehicles & transport equipment, n.e.s.	—	20,072
Miscellaneous crude or simply prepared products, n.e.s.	—	51,133
Manufactured articles, n.e.s.	—	592,594
Total	3,969,318	5,998,981

BURMA

ARTICLES	Imports \$	Exports \$
Fishery products, for food	—	9,612
Cereals	2,242,169	—
Manufactured products of cereals, chiefly for human food	—	156,122
Fruits and nuts, except oil-nuts ..	—	59,455
Vegetables, roots and tubers, chiefly used for human food and their preparations, n.e.s.	49,384	6,626
Coffee, tea, cocoa and preparations thereof; spices	—	37,190
Chemical elements and compounds; pharmaceutical products	—	3,000
Dyeing, tanning and colouring sub- stances (not including crude materials)	—	51,884
Essential oils, perfumery, cosmetics, soaps and related products	—	16,573
Pulp, paper and cardboard and manu- factures thereof	—	55,330
Yarns and thread	—	36,500
Textile fabrics and small wares	—	38,500
Special and technical textile articles Clothing and underwear of textile materials; hats of all materials ..	—	7,816
Made-up articles of textile materials other than clothing	—	159,499
Pottery and other clay products	—	6,000
Glass and glassware	—	158,780
Non-ferrous base metals	—	19,185
Manufactures of base metals, n.e.s. .	—	3,600
Electrical machinery, apparatus and appliances	—	74,949
Vehicles & transport equipment, n.e.s.	—	30,780
Miscellaneous crude or simply pre- pared products, n.e.s.	—	107,057
Manufactured articles, n.e.s.	—	23,534
Total	2,291,553	1,135,438

CHINA CENTRAL

ARTICLES	Imports \$	Exports \$
Live animals, chiefly for food	400	—
Meat and preparations thereof	—	376
Dairy products, eggs and honey	56,860	470,559
Fishery products, for food	20,310	229,230
Manufactured products of cereals, chiefly for human food	—	4,968,523
Fruits and nuts, except oil-nuts	120,041	8,307
Vegetables, roots and tubers, chiefly used for human food and their preparations, n.e.s.	697,071	1,154,767
Sugar and sugar confectionery	546,615	46,680
Coffee, tea, cocoa and preparations thereof; spices	978,594	2,760
Beverages and vinegars	—	17,439
Feeding stuffs for animals, n.e.s. .	33,150	1,919,763
Tobacco	—	2,403,073
Oil-seeds, nuts and kernels	—	800,276
Animal & vegetable oils, fats, greases and waxes & their manufactures, n.e.s.	43,680	322,140
Chemical elements and compounds; pharmaceutical products	304,930	1,231,282
Dyeing, tanning and colouring sub- stances (not including crude materials)	2,200	562,517
Essential oils, perfumery, cosmetics, soaps and related products	6,000	63,928
Fertilizers	—	1,950,201
Rubber and manufactures thereof, n.e.s.	—	106,981
Wood, cork & manufactures thereof	5,263	115,313
Pulp, paper and cardboard and manu- factures thereof	450,502	589,119
Hides and skins and leather	4,420	85,355

Manufactures of leather, not includ- ing articles of clothing	—	2,060
Textile materials, raw or simply prepared	35,657	1,020
Yarns and thread	—	969,522
Textile fabrics and small wares	870,893	2,532,246
Special and technical textile articles Clothing and underwear of textile materials; hats of all materials ..	276,875	4,370
Footwear, boots, shoes and slippers	33,123	488,318
Made-up articles of textile materials other than clothing	—	590,853
Products for heating, lighting and power, lubricants and related pro- ducts	22,760	43,124
Non-metallic minerals, crude or sim- ply prepared, n.e.s.	—	475,415
Pottery and other clay products	—	25,000
Glass and glassware	177,977	13,100
Manufactures of non-metallic miner- als, n.e.s.	—	14,496
Iron and steel	1,500	9,728
Non-ferrous base metals	—	203,742
Manufactures of base metals, n.e.s. .	4,400	136,815
Machinery, apparatus and appliances other than electrical, n.e.s.	25,221	660,202
Electrical machinery, apparatus and appliances	—	158,548
Vehicles & transport equipment, n.e.s.	705	272,467
Miscellaneous crude or simply pre- pared products, n.e.s.	—	454,166
Manufactured articles, n.e.s.	283,673	148,182
Total	63,156	294,871
Total	5,065,976	24,546,808

CHINA NORTH

ARTICLES	Imports \$	Exports \$
Meat and preparations thereof	34,900	—
Dairy products, eggs and honey	2,006,311	—
Fishery products, for food	157,667	—
Cereals	2,880	—
Manufactured products of cereals, chiefly for human food	215,180	—
Fruits and nuts, except oil-nuts	550,357	—
Vegetables, roots and tubers, chiefly used for human food and their preparations, n.e.s.	1,887,430	—
Sugar and sugar confectionery	320	13,500
Coffee, tea, cocoa and preparations thereof; spices	15,000	—
Beverages and vinegars	304,835	—
Feeding stuffs for animals, n.e.s. .	700	—
Tobacco	242,130	230
Oil-seeds, nuts and kernels	4,276,266	—
Animal & vegetable oils, fats, greases and waxes & their manufactures, n.e.s.	3,481,853	—
Chemical elements and compounds; pharmaceutical products	394,965	1,852,007
Dyeing, tanning and colouring sub- stances (not including crude materials)	10,347	975,072
Essential oils, perfumery, cosmetics, soaps and related products	229,334	—
Rubber and manufactures thereof, n.e.s.	—	1,171,856
Wood, cork & manufactures thereof	64,010	20,400
Pulp, paper and cardboard and manu- factures thereof	41,825	344,654
Hides and skins and leather	171,819	40,000
Manufactures of leather, not includ- ing articles of clothing	28,786	—
Textile materials, raw or simply prepared	1,111,784	23,875,327
Yarns and thread	735,480	3,500
Textile fabrics and small wares	1,685,525	138,897
Special and technical textile articles Clothing and underwear of textile materials; hats of all materials ..	10,613	106,405
Total	233,163	—

Made-up articles of textile materials other than clothing	570,396	4,062,370
Products for heating, lighting and power, lubricants and related products	638,018	3,968,018
Non-metallic minerals, crude or simply prepared, n.e.s.	9,300	4,500
Pottery and other clay products	23,691	3,750
Glass and glassware	9,663	—
Manufactures of non-metallic minerals, n.e.s.	5,830	47,466
Precious metals and precious stones, pearls and articles made of these materials	—	14,823
Ores, slag, cinder	—	2,500
Iron and steel	—	1,076,750
Non-ferrous base metals	—	1,867,519
Manufactures of base metals, n.e.s. .	172,009	334,709
Machinery, apparatus and appliances other than electrical, n.e.s.	26,415	1,165,520
Electrical machinery, apparatus and appliances	53,272	262,989
Vehicles & transport equipment, n.e.s.	—	119,185
Miscellaneous crude or simply prepared products, n.e.s.	24,258,170	122,643
Manufactured articles, n.e.s.	650,105	132,061
Total	44,310,449	41,726,651

CHINA, SOUTH

ARTICLES	Imports \$	Exports \$
Live animals, chiefly for food	3,978,960	—
Meat and preparations thereof	2,075	—
Dairy products, eggs and honey	318,960	—
Fishery products, for food	33,517	27,471
Manufactured products of cereals, chiefly for human food	500	943,690
Fruits and nuts, except oil-nuts ..	12,880	7,980
Vegetables, roots and tubers, chiefly used for human food and their preparations, n.e.s.	211,273	25,074
Sugar and sugar confectionery	120	81,850
Coffee, tea, cocoa and preparations thereof; spices	156,501	11,890
Beverages and vinegars	3,324	31,168
Feeding stuffs for animals, n.e.s. .	300,103	—
Tobacco	—	19,805
Oil-seeds, nuts and kernels	403,120	665
Animal & vegetable oils, fats, greases and waxes & their manufactures, n.e.s.	20,770,650	33,820
Chemical elements and compounds; pharmaceutical products	760	732,549
Dyeing, tanning and colouring substances (not including crude materials)	60,875	37,087
Essential oils, perfumery, cosmetics, soaps and related products	24,987	17,785
Fertilizers	9,957	16,877
Rubber and manufactures thereof, n.e.s.	—	82,520
Wood, cork & manufactures thereof	290,576	1,540
Pulp, paper and cardboard and manufactures thereof	88,270	159,671
Hides and skins and leather	161,013	1,250
Manufactures of leather, not including articles of clothing	—	2,150
Textile materials, raw or simply prepared	69,966	53,000
Yarns and thread	927,750	1,200
Textile fabrics and small wares	563,294	48,161
Special and technical textile articles	13,692	2,220
Clothing and underwear of textile materials, hats of all materials ..	36,733	147,855
Footwear, boots, shoes and slippers	10,460	255,670
Made-up articles of textile materials other than clothing	112,950	14,364
Products for heating, lighting and power, lubricants and related products	—	5,788,670

Non-metallic minerals, crude or simply prepared, n.e.s.	49,289	54
Pottery and other clay products	191,987	20,900
Glass and glassware	3,250	4,350
Manufactures of non-metallic minerals, n.e.s.	105	—
Iron and steel	—	25,475
Non-ferrous base metals	22,286	—
Manufactures of base metals, n.e.s. .	48,810	22,587
Machinery, apparatus and appliances other than electrical, n.e.s.	174,490	656,887
Electrical machinery, apparatus and appliances	18,092	77,065
Vehicles & transport equipment, n.e.s.	—	508,158
Miscellaneous crude or simply prepared products, n.e.s.	2,219,359	24,597
Manufactured articles, n.e.s.	206,896	215,556
Total Merchandise	31,497,830	10,101,711
Gold and specie	11,875	—
Grand Total	31,509,705	10,101,711

INDOCHINA

ARTICLES	Imports \$	Exports \$
Fishery products, for food	483,988	17,695
Cereals	45,600	—
Manufactured products of cereals, chiefly for human food	—	20,140
Fruits and nuts, except oil-nuts	47,824	135,466
Vegetables, roots and tubers, chiefly used for human food and their preparations, n.e.s.	441,780	691,898
Sugar and sugar confectionery	—	12,680
Coffee, tea, cocoa and preparations thereof; spices	35,040	492,583
Beverages and vinegars	—	96
Oil-seeds, nuts and kernels	187,057	64,260
Animal & vegetable oils, fats, greases and waxes & their manufactures, n.e.s.	56,900	11,244
Chemical elements and compounds; pharmaceutical products	—	162,225
Dyeing, tanning and colouring substances (not including crude materials)	32,200	1,424
Fertilizers	16,455	—
Pulp, paper and cardboard and manufactures thereof	—	113,720
Hides and skins and leather	32,250	37,880
Manufactures of leather, not including articles of clothing	—	37
Textile materials, raw or simply prepared	19,000	—
Yarns and thread	—	92,355
Textile fabrics and small wares	—	438
Clothing and underwear of textile materials; hats of all materials ..	—	60
Made-up articles of textile materials other than clothing	—	16,875
Products for heating, lighting and power, lubricants and related products	74,00	—
Non-metallic minerals, crude or simply prepared, n.e.s.	5,000	14,044
Pottery and other clay products	—	548
Iron and steel	8,100	—
Non-ferrous base metals	—	22,434
Machinery, apparatus and appliances other than electrical, n.e.s.	—	70,874
Electrical machinery, apparatus and appliances	—	180
Vehicles & transport equipment, n.e.s.	—	39,182
Miscellaneous crude or simply prepared products, n.e.s.	402,214	531,806
Manufactured articles, n.e.s.	41,800	6,469
Total	1,929,208	2,556,613

JAPAN

ARTICLES	Imports \$	Exports \$
Meat and preparations thereof	—	100
Fishery products, for food	161,910	2,010
Manufactured products of cereals, chiefly for human food	—	2,280
Fruits and nuts, except oil-nuts	27,184	120
Vegetables, roots and tubers, chiefly used for human food and their preparations, n.e.s.	366,349	2,792
Sugar and sugar confectionery	—	15,000
Coffee, tea, cocoa and preparations thereof; spices	400,173	10,702
Beverages and vinegars	—	131,312
Tobacco	—	7,975
Oil-seeds, nuts and kernels	—	1,329,436
Animal & vegetable oils, fats, greases and waxes & their manufactures, n.e.s.	4,692	1,500
Chemical elements and compounds; pharmaceutical products	108,201	8,766
Dyeing, tanning and colouring sub- stances (not including crude materials)	41,570	113,518
Essential oils, perfumery, cosmetics, soaps and related products	—	62,513
Rubber and manufactures thereof, n.e.s.	93,515	1,500
Wood, cork & manufactures thereof	67,764	88,949
Pulp, paper and cardboard and manu- factures thereof	33,424	2,593
Hides and skins and leather	—	64,903
Manufactures of leather, not includ- ing articles of clothing	—	6,727
Textile materials, raw or simply prepared	57,970	2,303,986
Yarns and thread	157,385	280
Textile fabrics and small wares	1,988,950	715,232
Special and technical textile articles	90,299	—
Clothing and underwear of textile materials; hats of all materials ..	188,631	17,975
Footwear, boots, shoes and slippers	—	5,767
Made-up articles of textile materials other than clothing	—	50
Products for heating, lighting and power, lubricants and related pro- ducts	—	60
Non-metallic minerals, crude or sim- ply prepared, n.e.s.	—	1,000
Pottery and other clay products	126,205	4,750
Glass and glassware	23,986	4,230
Precious metals and precious stones, pearls and articles made of these materials	—	2,500
Ores, slag, cinder	—	1,497,688
Iron and steel	132,557	—
Non-ferrous base metals	411,485	—
Manufactures of base metals, n.e.s.	161,971	33,647
Machinery, apparatus and appliances other than electrical, n.e.s.	181,065	5,800
Electrical machinery, apparatus and appliances	48,152	3,251
Vehicles & transport equipment, n.e.s.	21,874	221,402
Miscellaneous crude or simply pre- pared products, n.e.s.	5,430	800,928
Manufactured articles, n.e.s.	133,584	203,027
Total	5,034,326	7,674,341

KOREA, NORTH

ARTICLES	Imports \$	Exports \$
Fishery products, for food	471,529	—
Feeding stuffs for animals, n.e.s. ..	600,007	—
Chemical elements and compounds; pharmaceutical products	—	105,825
Dyeing, tanning and colouring sub- stances (not including crude materials)	—	96,000

Fertilizers	397,500	—
Rubber and manufactures thereof, n.e.s.	—	308,268
Pulp, paper and cardboard & manu- factures thereof	—	128,300
Manufactures of leather, not includ- ing articles of clothing	—	12,000
Textile materials, raw or simply prepared	43,628	—
Yarns and thread	—	20,000
Made-up articles of textile materials other than clothing	—	15,000
Iron and steel	—	70,000
Manufactures of base metals, n.e.s. .	—	459,505
Machinery, apparatus and appliances n.e.s., other than electrical	—	1,426,000
Electrical machinery, apparatus and appliances	—	21,000
Vehicles & transport equipment, n.e.s.	—	78,097
Miscellaneous crude or simply pre- pared products, n.e.s.	169,620	—
Manufactured articles, n.e.s.	—	60,000
Total	1,682,284	2,799,995

KOREA, SOUTH

ARTICLES	Imports \$	Exports \$
Dairy products, eggs and honey ...	89,091	87
Fishery products, for food	1,274,149	—
Manufactured products of cereals, chiefly for human food	—	1,700
Fruits and nuts, except oil-nuts	72,165	455
Vegetables, roots and tubers, chiefly used for human food and their preparations, n.e.s.	722,100	35,404
Sugar and sugar confectionery	—	283,030
Beverages and vinegars	29,712	86,428
Tobacco	—	5,872
Animal & vegetable oils, fats, greases and waxes & their manufactures, n.e.s.	—	56,714
Chemical elements and compounds; pharmaceutical products	—	1,369,585
Dyeing, tanning and colouring sub- stances (not including crude materials)	—	200,836
Essential oils, perfumery, cosmetics, soaps and related products	—	3,780
Rubber and manufactures thereof, n.e.s.	—	*742,566
Pulp, paper and cardboard and manu- factures thereof	—	1,168,512
Furs, not made up	85,796	—
Textile materials, raw or simply prepared	460,840	—
Yarns and thread	—	370,160
Textile fabrics and small wares	—	166,240
Special and technical textile articles	—	2,617
Clothing and underwear of textile materials; hats of all materials ..	—	3,480
Products for heating, lighting and power, lubricants and related pro- ducts	—	75,890
Pottery and other clay products	—	135
Precious metals and precious stones, pearls and articles made of these materials	—	2,480
Non-ferrous base metals	100,000	—
Manufactures of base metals, n.e.s. .	—	7,521
Machinery, apparatus and appliances n.e.s. other than electrical	—	14,301
Electrical machinery, apparatus and appliances	—	1,095
Vehicles & transport equipment, n.e.s.	500	2,000
Miscellaneous crude or simply pre- pared products, n.e.s.	125,016	155,715
Manufactured articles, n.e.s.	13,260	76,477
	* + (Nil).	
Total	2,972,629	4,833,080

MACAO			PHILIPPINES		
ARTICLES	Imports \$	Exports \$	ARTICLES	Imports \$	Exports \$
Live animals, chiefly for food	62,265	1,800	Live animals, chiefly for food	—	56
Meat and preparations thereof	14,748	4,721	Meat and preparations thereof	—	79,773
Dairy products, eggs and honey	835,420	180,857	Dairy products, eggs and honey ..	—	1,100,143
Fishery products, for food	350,242	765,474	Fishery products, for food	—	66,165
Cereals	3,202	2,331,305	Manufactured products of cereals, chiefly for human food	—	239,373
Manufactured products of cereals, chiefly for human food	11,487	662,709	Fruits and nuts, except oil-nuts	373,686	119,475
Fruits and nuts, except oil-nuts ..	402,146	993,178	Vegetables, roots and tubers, chiefly used for human food and their preparations, n.e.s.	—	865,557
Vegetables, roots and tubers, chiefly used for human food and their preparations, n.e.s.	848,182	542,524	Sugar and sugar confectionery	—	1,099
Sugar and sugar confectionery	300	167,113	Coffee, tea, cocoa and preparations thereof; spices	—	311,244
Coffee, tea, cocoa and preparations thereof; spices	98,449	143,842	Beverages and vinegars	—	20,522
Beverages and vinegars	299,093	313,016	Feeding stuffs for animals, n.e.s. ...	—	26,000
Feeding stuffs for animals, n.e.s. ...	9,702	989,532	Tobacco	80,074	882,194
Tobacco	66,230	748,196	Oil-seeds, nuts and kernels	—	108,917
Oil-seeds, nuts and kernels	6,050	365,748	Animal & vegetable oils, fats, greases and waxes & their manufactures, n.e.s.	38,310	6,306
Animal & vegetable oils, fats, greases and waxes & their manufactures, n.e.s.	221,395	422,624	Chemical elements and compounds; pharmaceutical products	—	750,471
Chemical elements and compounds; pharmaceutical products	226,545	1,009,170	Dyeing, tanning and colouring sub- stances (not including crude materials)	—	284,498
Dyeing, tanning and colouring sub- stances (not including crude materials)	36,079	103,240	Essential oils, perfumery, cosmetics, soaps and related products	—	37,487
Essential oils, perfumery, cosmetics, soaps and related products	117,795	277,118	Rubber and manufactures thereof, n.e.s.	1,600	13,480
Fertilizers	12,070	661,405	Wood, cork & manufactures thereof	160,7888	95,597
Rubber and manufactures thereof, n.e.s.	670	53,436	Pulp, paper and cardboard and manu- factures thereof	—	533,884
Wood, cork & manufactures thereof	822,824	409,228	Hides and skins and leather	—	5,200
Pulp, paper and cardboard and manu- factures thereof	146,648	617,065	Manufactures of leather, not includ- ing articles of clothing	—	2,125
Hides and skins and leather	89,448	64,608	Textile materials, raw or simply prepared	318,955	6,000
Manufactures of leather, not includ- ing articles of clothing	—	16,327	Yarns and thread	—	381,140
Textile materials, raw or simply prepared	110,136	23,725	Textile fabrics and small wares	—	1,288,574
Yarns and thread	—	61,117	Special and technical textile articles	120,958	600
Textile fabrics and small wares	230,696	1,958,729	Clothing and underwear of textile materials; hats of all materials ..	—	346,871
Special and technical textile articles	16,366	29,404	Footwear, boots, shoes and slippers	—	24,431
Clothing and underwear of textile materials; hats of all materials ..	23,411	828,238	Made-up articles of textile materials other than clothing	—	201,643
Footwear, boots, shoes and slippers	—	145,307	Products for heating, lighting and power, lubricants and related pro- ducts	—	1,030
Made-up articles of textile materials other than clothing	52,852	60,593	Non-metallic minerals, crude or sim- ply prepared, n.e.s.	—	22,736
Products for heating, lighting and power, lubricants and related pro- ducts	—	702,039	Pottery and other clay products	—	44,449
Non-metallic minerals, crude or sim- ply prepared, n.e.s.	1,600	84,408	Glass and glassware	—	23,684
Pottery and other clay products	8,735	83,453	Manufactures of non-metallic miner- als, n.e.s.	—	2,666
Glass and glassware	1,363	69,038	Precious metals and precious stones, pearls and articles made of these materials	12,944	1,035
Manufactures of non-metallic miner- als, n.e.s.	980	7,837	Ores, slag, cinder	—	7,100
Ores, slag, cinder	22,090	56	Iron and steel	800,000	87,850
Iron and steel	309	150,431	Non-ferrous base metals	—	52,285
Non-ferrous base metals	1,035	34,350	Manufactures of base metals, n.e.s. ...	—	1,375,248
Manufactures of base metals, n.e.s. ...	240,061	372,500	Machinery, apparatus and appliances other than electrical, n.e.s.	3,770	20,030
Machinery, apparatus and appliances other than electrical, n.e.s.	11,130	263,055	Electrical machinery, apparatus and appliances	12,518	11,124
Electrical machinery, apparatus and appliances	55,701	358,506	Vehicles & transport equipment, n.e.s.	9,190	14,104
Vehicles & transport equipment, n.e.s.	10,358	286,920	Miscellaneous crude or simply pre- pared products, n.e.s.	—	169,537
Miscellaneous crude or simply pre- pared products, n.e.s.	907,927	269,930	Manufactured articles, n.e.s.	1,174	260,300
Manufactured articles, n.e.s.	1,761,340	425,226			
Total Merchandise	8,137,080	18,068,098	Total	1,933,967	9,793,503
Gold and specie	551,086	—			
Grand Total	8,688,166	18,068,098			

THAILAND

ARTICLES	Imports \$	Exports \$
Dairy products, eggs and honey ...	—	6,450
Fishery products, for food	352,635	7,000
Cereals	12,033,138	—
Manufactured products of cereals, chiefly for human food	38,205	27,160
Fruits and nuts, except oil-nuts	8,150	—
Vegetables, roots and tubers, chiefly used for human food and their preparations, n.e.s.	167,680	133,602
Sugar and sugar confectionery	5,400	91,000
Coffee, tea, cocoa and preparations thereof; spices	48,375	24,309
Beverages and vinegars	—	19,059
Feeding stuffs for animals, n.e.s. ...	750	5,635
Oil-seeds, nuts and kernels	268,167	—
Animal & vegetable oils, fats, greases and waxes & their manufactures, n.e.s.	569,620	4,854
Chemical elements and compounds; pharmaceutical products	46,040	575,185
Dyeing, tanning and colouring sub- stances (not including crude materials)	—	274,955
Essential oils, perfumery, cosmetics, soaps and related products	—	32,746
Fertilizers	1,955	152,171
Rubber and manufactures thereof, n.e.s.	—	800
Wood, cork & manufactures thereof	1,170,871	5,336
Pulp, paper and cardboard and manu- factures thereof	—	125,436
Hides and skins and leather	438,819	1,331
Manufactures of leather, not includ- ing articles of clothing	—	4,040
Textile materials, raw or simply prepared	120,768	—
Yarns and threads	—	918,485
Textile fabrics and small wares	—	547,575
Special and technical textile articles	—	20,913
Clothing and underwear of textile materials, hats of all materials ..	1,500	475,418
Made-up articles of textile materials other than clothing	—	247,698
Products for heating, lighting and power, lubricants and related pro- ducts	—	15,590
Non-metallic minerals, crude or sim- ply prepared, n.e.s.	256,913	17,625
Pottery and other clay products	—	19,629
Glass and glassware	—	72,050
Manufactures of non-metallic miner- als, n.e.s.	—	1,660
Precious metals and precious stones, pearls and articles made of these materials	19,552	—
Iron and steel	—	150,789
Non-ferrous base metals	—	41,115
Manufactures of base metals, n.e.s. .	—	501,934
Machinery, apparatus and appliances other than electrical, n.e.s.	—	17,500
Electrical machinery, apparatus and appliances	—	139,707
Vehicles & transport equipment, n.e.s.	—	48,096
Miscellaneous crude or simply pre- pared products, n.e.s.	133,410	128,172
Manufactured articles, n.e.s.	4,100	323,547
Total	15,686,048	5,178,547

U. S. A.

ARTICLES	Imports \$	Exports \$
Meat and preparations thereof	40,607	26,496
Dairy products, eggs and honey ...	166,326	103,746
Fishery products, for food	981,156	355,486
Cereals	3,771	—
Manufactured products of cereals, chiefly for human food	231,996	142,693
Fruits and nuts, except oil-nuts	3,072,856	410,907
Vegetables, roots and tubers, chiefly used for human food and their preparations, n.e.s.	201,818	1,032,227
Sugar and sugar confectionery	648,577	9,250
Coffee, tea, cocoa and preparations thereof; spices	738,601	338,641
Beverages and vinegars	306,115	121,620
Feeding stuffs for animals, n.e.s. ..	886	—
Tobacco	9,231,912	14,170
Oil-seeds, nuts and kernels	—	66,818
Animal & vegetable oils, fats, greases and waxes & their manufactures, n.e.s.	464,738	4,665,188
Chemical elements and compounds; pharmaceutical products	7,115,897	727,859
Dyeing, tanning and colouring sub- stances (not including crude mate- rials)	2,248,940	659
Essential oils, perfumery, cosmetics, soaps and related products	1,450,807	179,306
Fertilizers	1,898,924	—
Rubber and manufactures thereof, n.e.s.	68,864	30,854
Wood, cork & manufactures thereof	577,433	148,513
Pulp, paper and cardboard and manu- factures thereof	1,684,282	54,407
Hides and skins and leather	387,192	41,732
Manufactures of leather, not includ- ing articles of clothing	52,358	—
Furs, not made up	—	79,433
Textile materials, raw or simply prepared	11,838,622	480,264
Textile fabrics and small wares	5,615,413	1,074,377
Special and technical textile articles	57,358	1,860
Clothing and underwear of textile materials; hats of all materials ..	1,749,926	45,684
Footwear, boots, shoes and slippers	195,810	45,391
Made-up articles of textile materials other than clothing	70,802	18
Products for heating, lighting and power, lubricants and related pro- ducts	1,716,356	9,851
Non-metallic minerals, crude or sim- ply prepared, n.e.s.	12,285	1,209
Pottery and other clay products	44,323	172,060
Glass and glassware	435,506	—
Manufactures of non-metallic miner- als, n.e.s.	237,789	745
Precious metals and precious stones, pearls and articles made of these materials	76,614	612,040
Ores, slag, cinder	—	12,114
Iron and steel	1,785,763	—
Non-ferrous base metals	143,862	616,977
Manufactures of base metals, n.e.s. .	2,143,634	135,498
Machinery, apparatus and appliances other than electrical, n.e.s.	3,829,647	1,980
Electrical machinery, apparatus and appliances	1,574,199	51,639
Vehicles & transport equipment, n.e.s.	1,409,383	3,435
Miscellaneous crude or simply pre- pared products, n.e.s.	321,606	14,929,294
Manufactured articles, n.e.s.	4,701,480	2,413,449
Total Merchandise	69,534,434	29,157,890
Gold and specie	—	2,362,458
Grand Total	69,534,434	31,520,348

UNITED STATES OF INDONESIA

ARTICLES	Imports \$	Exports \$		
Fishery products, for food	23,281	13,650		
Manufactured products of cereals, chiefly for human food	—	4,315		
Fruits and nuts, excepts oil-nuts ..	—	13,678		
Vegetables, roots and tubers, chiefly used for human food and their preparations, n.e.s.	65,251	20,680		
Coffee, tea, cocoa and preparations thereof; spices	10,080	11,469		
Beverages and vinegars	—	75		
Feeding stuffs for animals, n.e.s. ..	—	320		
Oil-seeds, nuts and kernels	10,200	—		
Animal & vegetable oils, fats, greases and waxes & their manufactures, n.e.s.	52,128	660		
Chemical elements and compounds; pharmaceutical products	85,803	229,265		
Dyeing, tanning and colouring sub- stances (not including crude mate- rials)	—	45,627		
Essential oils, perfumery, cosmetics, soaps and related products	150,980	17,742		
Rubber and manufactures thereof, n.e.s.	498,840	—		
Wood, cork & manufactures thereof	280,000	—		
Pulp, paper and cardboard & manu- factures thereof	—	1,503,805		
Hides and skins and leather	—	12,360		
Textile materials, raw or simply prepared	—	19,966		
Yarns and thread	—	7,671,944		
Textile fabrics and small wares	—	133,768		
Special and technical textile articles	—	50		
Clothing and underwear of textile materials, hats of all materials ..	—	394,814		
Made-up articles of textile materials other than clothing	—	838,161		
Products for heating, lighting and power, lubricants and related pro- ducts	3,218,891	—		
Non-metallic minerals, crude or sim- ply prepared, n.e.s.	—	2,900		
Pottery and other clay products	—	1,810		
Glass and glassware	—	24,905		
Manufactures of base metals, n.e.s. .	42,766	204,370		
Machinery, apparatus and appliances n.e.s., other than electrical	33,300	—		
Electrical machinery, apparatus and appliances	—	31,126		
Miscellaneous crude or simply pre- pared products, n.e.s.	556,600	47,105		
Manufactured articles, n.e.s.	—	283,072		
Total	5,028,120	11,527,637		

Thailand's Trade by Monetary Groups

(Baht thousands)

Year and Month	Countries in Sterling Group				Countries in U.S. Group				Stg. Group		Balance		\$ Group	
	Exports I	Imports II	Exports I	Imports II	Exports I	Imports II	Exports I	Imports II	I	II	I	II	I	II
1946 January-June	105,610	2,688	143,937	28,743	26,695	54	2,392	182	- 36,327	- 26,055	* 34,303	- 128		
July-December	242,089	17,028	298,112	39,649	59,626	5	36,016	35	- 56,023	- 22,621	* 23,610	- 50		
1947 January-June	368,242	17,382	989,351	65,115	29,560	7,401	79,881	142	- 21,109	- 47,733	- 50,321	- 7,259		
July-December	375,997	59,572	450,832	101,406	105,085	609	291,050	620	- 74,834	- 41,834	- 135,965	- 11		
1948 January-June	534,608	116,621	560,181	76,950	280,727	10,977	69,607	8,243	- 25,573	- 39,671	* 191,120	* 2,734		
July	74,358	20,329	104,907	11,189	54,675	1,981	28,550	4,020	- 30,549	* 9,140	* 26,125	- 2,039		
August	84,193	30,115	117,966	23,037	55,035	862	23,248	3,632	- 33,778	- 7,078	* 31,787	- 2,780		
September	95,084	27,488	123,464	14,634	64,735	479	18,183	4,310	- 28,380	* 12,854	* 46,552	- 3,831		
October	122,292	5,504	119,514	23,191	37,593	146	18,083	5,516	- 2,778	- 17,687	* 19,510	- 5,370		

Sterling Group: I) Sterling areas and Transferable A/c countries.

II) Other countries accepting settlement in Sterling.

U.S.\$ Group : I) U.S.A., Philippines and countries accepting settlement in dollar only.

II) Countries preferring settlement in dollars.

* Favourable balance.